

# INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Türkiye Cumhuriyeti Ziraat Bankası Anonim Şirketi

## A. Audit of the consolidated Financial Statements

### 1. Opinion

We have audited the accompanying consolidated financial statements of Türkiye Cumhuriyeti Ziraat Bankası Anonim Şirketi (the "Bank"), and its subsidiaries (collectively referred to as the "Group"), which comprise the statement of consolidated balance sheet as at 31 December 2023, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements and a summary of significant accounting policies and consolidated financial statement notes.

In our opinion, except for the effect of the matter on the consolidated financial statements described in the basis for the qualified opinion section of our report, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards ("TFRS") for those matters not regulated by the aforementioned regulations.

### 2. Basis for Qualified Opinion

As explained in Section Five Part II. 9.3 of Explanations and Notes to the Consolidated Financial Statements; the accompanying consolidated financial statements as at 31 December 2023 include a free provision amounting to TL 17.800.000 thousand which consist of TL 29.304.000 thousand provided in prior periods, TL 96.000 thousand recognized in the current year and TL 11.600.000 thousand reversed in the current year by the Group management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.

Our audit was conducted in accordance with the "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our qualified opinion.

### 3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion Section we have determined the matters described below to be the key audit matters to be communicated in our report.

<b>Key Audit Matters</b>	<b>How the key audit matter was addressed in the audit</b>
<p><b>Expected credit losses for loans and receivables</b></p> <p>The Group has total expected credit losses for loans and receivables amounting to TL 2.237.697.791 thousand in respect to total loans and receivables amounting to TL 76.920.514 thousand which represent a significant portion of the Group's total assets in its consolidated financial statements as at 31 December 2023. Explanations and notes related to expected credit losses provisions for loans and receivables are presented Section Three VII, Section Three VIII, Section Four II, Section Four VIII-3, Section Five I.7 and Section Five II-9 in the accompanying consolidated financial statements as at 31 December 2023.</p> <p>The Group recognizes provision for impairment in accordance with "IFRS 9 Financial Instruments" ("IFRS 9") requirements effective in line with the "Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided" as published in the Official Gazette dated 22 June 2016 numbered 29750. The Group exercises significant decisions using subjective judgement, interpretation and assumptions over when and how much to record as loan impairment.</p> <p>To determine expected credit losses the Group determines stage classification of loans by identifying significant increase in credit risk with quantitative and qualitative assessments and identification of default events. The Group uses models based on complex data, derived from more than one system to determine significant increase in credit risk and calculate the expected loan loss provision. These models contain judgement and estimations in regard to forward looking estimations, scenarios of macro-economic conditions and weighing of scenarios based on expert opinion. Information used in the individually or collectively assessment of expected credit loss such as historical loss experiences, current conditions and macroeconomic expectations should be supportable and appropriate.</p> <p>Our audit was focused on this area due to existence of complex estimates and information used in the impairment assessment such as macro-economic expectations, current conditions, historical loss experiences; the significance of the loan balances; the classification of loans as per their credit risk (staging) and the importance of determination of the associated expected credit loss. Timely and correct identification of default event and significant increase in credit risk and level of judgements and estimations made by the management have significant impacts on the amount of impairment provisions for loans. Therefore, this area is considered as key audit matter.</p>	<p>With respect to stage classification of loans and receivables and calculation of expected credit losses, we have assessed policy, procedure and management principles of the Group within the scope of our audit. We tested the design and the operating effectiveness of relevant systems and processes implemented in accordance with these principles.</p> <p>For important loan portfolios, we checked appropriateness of matters considered in methodology applied by the Group with IFRS 9 for calculation of the provision amount through stage classification of loans and receivables. For forward looking assumptions made by the Group's management in its expected credit losses calculations, we held discussions with management and evaluated the assumptions using publicly available information. Regarding expected credit losses methodology; we have assessed and tested model segmentation, lifetime probability of default model, exposure at default model, loss given default model and the approaches to reflecting reasonable and supportable forward looking expectations with our financial risk experts.</p> <p>Together with our financial risk experts, we evaluated and tested reasonableness of the changes in the expected credit loss allowance methodology made within the year and the performance of the impairment models used and the results of validation studies.</p> <p>We have checked Probability of Default (PD) models used in determination of lifetime PD calculations and the inclusion of current and future information in the models for various credit portfolios with our financial risk experts by reperforming on a sample selection basis.</p> <p>We tested sample basis the accuracy of the Exposure at Default (EAD) calculation by checking the prepayments and repayments and arithmetic calculations taken into account in the cash flows.</p> <p>We tested the Loss Given Default (LGD) calculation methodology used by the Group in the expected credit loss calculation.</p> <p>For a selected sample, we checked expected credit losses determined based on individual assessment per Group's policy by means of supporting data, and evaluated appropriateness via communications with management.</p> <p>We checked key data sources for data used in expected credit losses calculations. We tested reliability and completeness of the data used in expected credit losses calculations with our information systems specialists.</p> <p>We checked accuracy of resultant expected credit losses calculations.</p> <p>To assess appropriateness of the Group's determination of staging for credit risk for loans and receivables, identification of impairment and timely and appropriate provisioning for impairment we have performed loan review procedures based on a selected sample.</p> <p>We evaluated the adequacy of the disclosures made in the consolidated financial statements regarding the provision for impairment of loans and receivables.</p>

## INDEPENDENT AUDITOR'S REPORT

<b>Key Audit Matters</b>	<b>How the key audit matter was addressed in the audit</b>
<p><b>Pension funds</b></p> <p>Explanations on Valuation of T.C. Ziraat Bankası and T. Halk Bankası Members Pension and Relief Fund ("TZHEMSAN") Foundation are presented in the Section Three XVI in the accompanying consolidated financial statements as at 31 December 2023.</p> <p>TZHEMSAN foundation ("Fund") is established in accordance with the Social Security Law numbered 506 article No 20 and is within the scope of Funds whose members' rights to be transferred to the Social Security Institution (SSI). The President of the Republic is authorized to determine the transfer date. The total obligation of the fund is estimated using separate methods and assumptions for benefits to be transferred and for non-transferrable benefits. The valuations of the pension obligations require significant judgement and technical expertise in choosing appropriate assumptions. Calculation of Fund liabilities include estimates and uncertain assumptions such as transferrable social benefits, discount rates, salary increases, economic and demographic assumptions. The Bank's management uses external actuaries for the purpose of valuations of Fund obligations.</p> <p>During our audit, above mentioned fundamental assumption and estimates used in calculations of Fund obligations, uncertainty of the transfer date, technical interest rate determined in accordance with the law regulating the transfer conditions and significant impact from differentiation of these assumptions were taken into consideration, and this area is considered as key audit matter.</p>	<p>Within our audit we tested on a sample basis the accuracy of the retired and employee data supplied by the Group management to the external actuary firm for the purpose of evaluation of Fund obligations. In addition, we verified the existence and values of the Fund assets.</p> <p>We examined whether significant changes in actuarial assumptions used in calculation, employee benefits in the period, plan assets and liabilities, and regulations related to valuations exist, and controlled significant changes.</p> <p>Through use of our actuarial specialist, we assessed the reasonableness of assumptions and evaluation made by the external actuaries in the calculation of the liability.</p> <p>In addition to the above procedures, we checked the disclosures made with respect to Fund obligations in the consolidated financial statements.</p>

#### **4. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the BRSA Accounting and Financial Reporting Legislation, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### **5. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

# INDEPENDENT AUDITOR'S REPORT

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## B. Other Responsibilities Arising From Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Bank's bookkeeping activities concerning the period from 1 January to 31 December 2023 period are not in compliance with the TCC and provisions of the Bank's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

## Additional Paragraph for Convenience Translation

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29- Financial Reporting in Hyperinflationary Economies as of 31 December 2023. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash flows of the Group in accordance with IFRS.

PwC Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Didem Demer Kaya, SMMM  
Independent Auditor  
Istanbul, 16 February 2024

# THE CONSOLIDATED FINANCIAL REPORT OF TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş. AS OF 31 DECEMBER 2023

The Bank's Headquarter Address: Finanskent Mahallesi Finans Caddesi  
No: 44/A Ümraniye/İSTANBUL  
Phone: (216) 590 20 00  
Facsimile: (312) 584 25 51  
Website: www.ziraatbank.com.tr

The consolidated financial report for the year ended prepared in accordance with the "Communiqué on the Financial Statements and Related Policies and Disclosures to be Publicly Announced" as regulated by the Banking Regulation and Supervision Agency, is consist of the section listed below:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATIONS ON THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP
- EXPLANATIONS AND DISCLOSURES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITOR'S REPORT

Within the framework of this financial report, our consolidated financial statements of subsidiaries, associates and entities under common control are as follows:

<b>DOMESTIC SUBSIDIARIES</b>	<b>FOREIGN SUBSIDIARIES</b>
Ziraat Yatırım Menkul Değerler A.Ş.	Ziraat Bank International AG
Ziraat Portföy Yönetimi A.Ş.	Ziraat Bank BH d.d.
Ziraat Katılım Bankası A.Ş.	Ziraat Bank (Moscow) JSC
Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	Kazakhstan Ziraat International Bank
Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş.	Ziraat Bank Azerbaycan ASC
Ziraat Dinamik Banka A.Ş.	Ziraat Bank Montenegro AD
Ziraat Finansal Teknolojiler Elektronik Para ve Ödeme Hizmetleri A.Ş.	JSC Ziraat Bank Georgia Ziraat Bank Uzbekistan JSC

  

<b>ASSOCIATES</b>	<b>ENTITIES UNDER COMMON CONTROL</b>
Arap Türk Bankası A.Ş.	Turkmen Turkish Joint Stock Commercial Bank
Birleşim Varlık Yönetim A.Ş.	

In addition, Ziraat DPR Finance Company, which is a "Structured Entity", although not a subsidiary of our Bank, is included in the consolidation.

The accompanying consolidated financial statements and notes to these financial statements for the year ended which are expressed, unless otherwise stated, in thousands of Turkish Lira have been prepared and presented based on the accounting books of the Bank in accordance with the Regulation on the Principles and Procedures Regarding Banks' Accounting and Keeping of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, and related appendices and interpretations of these, and have been independently audited.

Burhaneddin TANYERİ  
Chairman of the Board

Alpaslan ÇAKAR  
Member of the Board,  
CEO

Fazlı KILIÇ  
Member of the Board,  
Member of the Audit Committee

Dr. İsmail İlhan HATİPOĞLU  
Member of the Board,  
Member of the Audit Committee

Süleyman YALÇIN  
Executive Vice President for  
Financial Coordination

Rehber BİRKAN  
Senior Vice President of  
Financial Coordination and Reporting

For the questions regarding this financial report, contact details of the personnel in charge are presented below:

Name/Title : Menşure BEŞKAYA/Financial Statements Manager  
Telephone Number : 0216 590 59 24

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TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

## SECTION ONE

### GENERAL INFORMATION ABOUT THE PARENT BANK

#### I. HISTORY OF THE PARENT BANK INCLUDING ITS INCORPORATION DATE, INITIAL LEGAL STATUS AND AMENDMENTS TO LEGAL STATUS

The foundation of Türkiye Cumhuriyeti Ziraat Bankası A.Ş. (“Ziraat Bankası” or “The Parent Bank”) is based on Government Funds established in 1863. In 1883, Government Funds were replaced with Benefit Funds. The Parent Bank was officially established by the re-organization of the Benefit Funds in 1888, to grant loans to farmers, to accept interest-bearing deposits and to act as a moneylender and an intermediary for agricultural operations. All shares of the Parent Bank, which was given the authority to perform all banking activities, belonged to the Republic of Türkiye Prime Ministry Undersecretariat of Treasury (“Treasury”) transferred to the Türkiye Wealth Fund with the decision of the Council of Ministers numbered 2017/9756 dated 24 January 2017. The Parent Bank’s head office is located in İstanbul.

#### II. EXPLANATION ABOUT THE PARENT BANK’S CAPITAL STRUCTURE, SHAREHOLDERS OF THE PARENT BANK WHO ARE IN CHARGE OF THE MANAGEMENT AND/OR AUDITING OF THE PARENT BANK DIRECTLY OR INDIRECTLY, CHANGES IN THESE MATTERS (IF ANY) AND THE GROUP THE PARENT BANK BELONGS TO

The total share capital of the Parent Bank is TL 84.600.000. This capital is divided into 84.600.000.000 registered share with a nominal value of TL 1 each and is fully paid. The Parent Bank’s sole and controlling shareholder is the Türkiye Wealth Fund.

The decision to increase the capital to TL 84.600.000 was approved at the Extraordinary General Assembly meeting of the Bank held on 29 March 2023, and the capital increase and the related amendment made in the relevant article of the Articles of Association were registered on 30 March 2023. It was announced in the Trade Registry Gazette dated 30 March 2023 and numbered 10801. The accounting for the mentioned capital increase was carried out on 30 March 2023, based on the permission obtained from the BRSA.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### III. INFORMATION ON THE BOARD OF DIRECTORS, MEMBERS OF THE AUDIT COMMITTEE, CEO AND EXECUTIVE VICE PRESIDENTS, CHANGES IN THESE MATTERS (IF ANY) AND SHARES OF THE PARENT BANK THEY POSSESS

Name	Administrative Function
<b>Members of the Board of Directors</b>	
Burhaneddin TANYERİ	Chairman
Alpaslan ÇAKAR	CEO and Member
Veysi KAYNAK	Vice Chairman and Member
Dr. İsmail İlhan HATİPOĞLU <sup>(*)</sup>	Member
Fatih AYDOĞAN <sup>(*)</sup>	Member
Fazlı KILIÇ	Member
Feyzi ÇUTUR	Member
Serdar KILIÇ <sup>(*)</sup>	Member
Serruh KALELİ	Member
<b>Audit Committee Members</b>	
Dr. İsmail İlhan HATİPOĞLU <sup>(*)</sup>	Member
Fazlı KILIÇ	Member
<b>Executive Vice Presidents</b>	
Ahmet ACAR	Credit Risk Monitoring and Liquidation
Cüneyt SAĞLIK	Digital Banking and Payment Systems
Emrah GÜNDÜZ	Banking Operations and Corporate Communications
Ferhat PİŞMAF	Corporate Banking
Hüseyin ÖZUYSAL	Human Resources
Mehmet Şükrü TAŞCI	Credit Allocation and Management
Süleyman YALÇIN	Financial Coordination
Yasin ÖZTÜRK	Treasury Management
Yüksel CESUR	Retail Banking

<sup>(\*)</sup> They were appointed at the Bank's Ordinary General Assembly meeting held on 2 August 2023 and started their duties as of 8 August 2023. Deputy General Manager Recep TÜRK resigned on 11 August 2023 and resigned from his position.

### IV. INFORMATION ABOUT THE PERSONS AND INSTITUTIONS THAT HAVE QUALIFIED SHARES ATTRIBUTABLE TO THE PARENT BANK

Name/Trade Name	Amount of Share	Percentage of Share (%)	Paid-in Shares	Unpaid Shares
Türkiye Wealth Fund	84.600.000	100	84.600.000	-

The Parent Bank's sole shareholder is the Türkiye Wealth Fund.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

## V. SUMMARY INFORMATION ON THE PARENT BANK’S ACTIVITIES AND SERVICES

The purpose of activity of the Parent Bank is stated in articles of association as to perform all kinds of banking activities including acceptance of deposits. For this purpose, the Parent Bank can perform all sorts of operations, without prejudice to the provisions of banking regulations and other legislations, such as launching all kinds of cash and non-cash loans in terms of Turkish Lira and foreign currencies, acting as an intermediary in trade and issue of the financial instruments that are used in local and international markets, performing investment banking transactions, forwards dealing in domestic and foreign futures markets, providing funds from interbank money market, domestic and foreign markets, making all kinds of capital market transactions, acting as an intermediary in export and import transactions, acting as an agency for insurance and other financial institutions, participating in all sort of partnership that is founded by domestic or foreign banks or participated by them within the terms of the related legislation or establishing new partnerships for this purpose, performing all kinds of transactions, such as; acquiring limited real and personal claims like all kinds of movable and immovable goods, industrial and intellectual properties, right of usufruct, easement, superficies and disposing and transferring acquired properties and rights, placing pledge and mortgage on those properties and rights, releasing pledged and mortgaged items and declaring leasing agreements and sale commitments to the registry office.

As of 31 December 2023, the Parent Bank carries its activities with a grand total of 1.744 branches; (31 December 2022: 1.733 domestic branches) and branches abroad which are London branch in England, Baghdad and Arbil branches in Iraq, Athens, Komotini, and Xanthi branches in Greece, Sofia, Plovdiv, Kardzhali, Varna and Burgas branches in Bulgaria, Jeddah branch in Saudi Arabia, Prishtina, Prizren, Peja and Ferizaj branches in Kosovo, Bahrain branch in Bahrain, Lefkoşa, Girne, Güzelyurt, Gazimağusa, Gönyeli, Taşkinköy, Karaoğlanoğlu and İskele branches in Turkish Republic of Northern Cyprus, It operates with a total of 25 branches and a total of 1.769 branches. (31 December 2022: 1.758).

The Parent Bank and the consolidated subsidiaries in Note III of Section Three are referred to “Group”.

As of 31 December 2023, the Group has 29.912 employees (31 December 2022: 27.794).

## VI. DIFFERENCES BETWEEN THE COMMUNIQUE ON PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS OF BANKS AND TURKISH ACCOUNTING STANDARDS AND SHORT EXPLANATION ABOUT THE ENTITIES SUBJECT TO FULL CONSOLIDATION OR PROPORTIONAL CONSOLIDATION AND ENTITIES WHICH ARE DEDUCTED FROM EQUITY OR ENTITIES WHICH ARE NOT INCLUDED IN THESE THREE METHODS

According to “Communiqué regarding the Preparation of the Consolidated Financial Statements” and “Turkish Accounting Standards”, Arap Türk Bankası A.Ş. and Birleşim Varlık Yönetim A.Ş., one of the associates of the Parent Bank, and Turkmen Turkish Joint Stock Commercial Bank, jointly controlled partnership of the Parent Bank, are accounted by using equity method in the consolidated financial statements of the Parent Bank.

As Ziraat Teknoloji A.Ş. is non-financial subsidiaries of the Bank, is not consolidated in the consolidated financial statements of the Bank in accordance with Communiqué of the Preparation Consolidated Financial Statements. Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş. is non-financial associates of the Bank is not consolidated in the consolidated financial statements. Central Oto Kiralama A.Ş., ZG Tarım Piyasaları A.Ş., which are subsidiaries of Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş. and its subsidiaries, ZY Elektrikli Traktör San. ve Tic. A.Ş. and MESA İmalat Sanayi ve Ticaret A.Ş. as they are not financial institutions, they are not consolidated. All other associates and subsidiaries are fully consolidated.

## VII. CURRENT OR LIKELY, ACTUAL OR LEGAL BARRIERS TO IMMEDIATE TRANSFER OF EQUITY OR REPAYMENT OF DEBTS BETWEEN THE PARENT BANK AND ITS SUBSIDIARIES

None.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## SECTION TWO

### Consolidated Financial Statements

- I. Consolidated Balance Sheet (Statement of Financial Position) - Assets
- II. Consolidated Balance Sheet (Statement of Financial Position) - Liabilities
- III. Consolidated Statement of Off-Balance Sheet Commitments
- IV. Consolidated Statement of Profit or Loss
- V. Consolidated Statement of Profit or Loss and Other Comprehensive Income
- VI. Consolidated Statement of Changes in Shareholders' Equity
- VII. Consolidated Statement of Cash Flows
- VIII. Statement of Profit Distribution

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

# CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 31 DECEMBER 2023)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

I- CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) ASSETS	Note (Section Five I)	Current Period 31 December 2023			Prior Period 31 December 2022		
		TL	FC	Total	TL	FC	Total
<b>I. FINANCIAL ASSETS (Net)</b>		<b>617.261.950</b>	<b>905.618.465</b>	<b>1.522.880.415</b>	<b>259.914.301</b>	<b>639.391.596</b>	<b>899.305.897</b>
<b>1.1 Cash and Cash Equivalents</b>		<b>329.397.476</b>	<b>503.787.926</b>	<b>833.185.402</b>	<b>41.328.380</b>	<b>397.543.289</b>	<b>438.871.669</b>
1.1.1 Cash and Balances with Central Bank	(1)	171.925.888	436.901.293	608.827.181	34.559.591	369.418.501	403.978.092
1.1.2 Banks	(4)	3.485.889	66.805.198	70.291.087	511.944	28.145.159	28.657.103
1.1.3 Money Markets Receivables		154.012.312	128.907	154.141.219	6.283.112	-	6.283.112
1.1.4 Expected Loss Provision (-)		26.613	47.472	74.085	26.267	20.371	46.638
<b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>	<b>(2)</b>	<b>11.141.584</b>	<b>60.574.328</b>	<b>71.715.912</b>	<b>4.933.872</b>	<b>31.141.244</b>	<b>36.075.116</b>
1.2.1 Government Debt Securities		363.039	57.997.920	58.360.959	218.920	29.826.133	30.045.053
1.2.2 Equity Instruments		192.889	-	192.889	98.791	-	98.791
1.2.3 Other Financial Assets		10.585.656	2.576.408	13.162.064	4.616.161	1.315.111	5.931.272
<b>1.3 Financial Assets at Fair Value Through Other Comprehensive Income</b>	<b>(5),(6)</b>	<b>271.733.553</b>	<b>335.796.917</b>	<b>607.530.470</b>	<b>210.384.316</b>	<b>205.114.691</b>	<b>415.499.007</b>
1.3.1 Government Debt Securities		269.304.112	333.645.990	602.950.102	208.910.220	203.834.751	412.744.971
1.3.2 Equity Instruments		2.414.003	132.776	2.546.779	939.832	47.378	987.210
1.3.3 Other Financial Assets		15.438	2.018.151	2.033.589	534.264	1.232.562	1.766.826
<b>1.4 Derivative Financial Assets</b>	<b>(3)</b>	<b>4.989.337</b>	<b>5.459.294</b>	<b>10.448.631</b>	<b>3.267.733</b>	<b>5.592.372</b>	<b>8.860.105</b>
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		4.989.337	5.459.294	10.448.631	3.267.733	5.592.372	8.860.105
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
<b>II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)</b>		<b>1.799.668.643</b>	<b>762.352.710</b>	<b>2.562.021.353</b>	<b>1.080.608.782</b>	<b>477.418.820</b>	<b>1.558.027.602</b>
<b>2.1 Loans</b>	<b>(7)</b>	<b>1.527.245.221</b>	<b>710.452.570</b>	<b>2.237.697.791</b>	<b>998.852.227</b>	<b>426.895.470</b>	<b>1.425.747.697</b>
<b>2.2 Lease Receivables</b>	<b>(12)</b>	<b>41.601.878</b>	<b>11.057.218</b>	<b>52.659.096</b>	<b>14.356.192</b>	<b>6.895.929</b>	<b>21.252.121</b>
<b>2.3 Factoring Receivables</b>		-	-	-	-	-	-
<b>2.4 Other Financial Assets Measured at Amortized Cost</b>	<b>(8)</b>	<b>270.091.948</b>	<b>78.573.998</b>	<b>348.665.946</b>	<b>117.627.313</b>	<b>47.795.772</b>	<b>165.423.085</b>
2.4.1 Government Debt Securities		266.941.796	77.601.923	344.543.719	114.479.629	46.764.524	161.244.153
2.4.2 Other Financial Assets		3.150.152	972.075	4.122.227	3.147.684	1.031.248	4.178.932
<b>2.5 Expected Credit Loss (-)</b>		<b>39.270.404</b>	<b>37.731.076</b>	<b>77.001.480</b>	<b>50.226.950</b>	<b>4.168.351</b>	<b>54.395.301</b>
<b>III. NON-CURRENT ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "HELD FROM DISCONTINUED OPERATIONS" (Net)</b>	<b>(15)</b>	<b>6.214.015</b>	<b>756.812</b>	<b>6.970.827</b>	<b>7.128.510</b>	<b>53.971</b>	<b>7.182.481</b>
3.1 Held for Sale Purpose		6.214.015	756.812	6.970.827	7.128.510	53.971	7.182.481
3.2 Held from Discontinued Operations		-	-	-	-	-	-
<b>IV. EQUITY INVESTMENTS</b>		<b>4.941.049</b>	<b>1.596.863</b>	<b>6.537.912</b>	<b>2.420.808</b>	<b>899.078</b>	<b>3.319.886</b>
<b>4.1 Investments in Associates (Net)</b>	<b>(9)</b>	<b>1.290.984</b>	<b>4.661</b>	<b>1.295.645</b>	<b>690.784</b>	<b>2.971</b>	<b>693.755</b>
4.1.1 Associates Valued Based on Equity Method		452.059	-	452.059	282.763	-	282.763
4.1.2 Unconsolidated Associates		838.925	4.661	843.586	408.021	2.971	410.992
<b>4.2 Subsidiaries (Net)</b>	<b>(10)</b>	<b>3.650.065</b>	<b>34.983</b>	<b>3.685.048</b>	<b>1.503.959</b>	<b>21.933</b>	<b>1.525.892</b>
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Subsidiaries		3.650.065	34.983	3.685.048	1.503.959	21.933	1.525.892
<b>4.3 Entities under Common Control (Joint Ventures) (Net)</b>	<b>(11)</b>	<b>-</b>	<b>1.557.219</b>	<b>1.557.219</b>	<b>226.065</b>	<b>874.174</b>	<b>1.100.239</b>
4.3.1 Joint Ventures Valued Based on Equity Method		-	1.557.219	1.557.219	226.065	874.174	1.100.239
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
<b>V. PROPERTY AND EQUIPMENT (Net)</b>	<b>(16)</b>	<b>57.127.247</b>	<b>3.657.238</b>	<b>60.784.485</b>	<b>35.134.714</b>	<b>1.700.414</b>	<b>36.835.128</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>	<b>(19)</b>	<b>4.371.535</b>	<b>385.962</b>	<b>4.757.497</b>	<b>2.576.920</b>	<b>189.462</b>	<b>2.766.382</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		4.371.535	385.962	4.757.497	2.576.920	189.462	2.766.382
<b>VII. INVESTMENT PROPERTY (Net)</b>	<b>(14)</b>	<b>1.434.220</b>	<b>-</b>	<b>1.434.220</b>	<b>775.075</b>	<b>-</b>	<b>775.075</b>
<b>VIII. CURRENT TAX ASSET</b>		<b>50.656</b>	<b>16.397</b>	<b>67.053</b>	<b>2.637</b>	<b>-</b>	<b>2.637</b>
<b>IX. DEFERRED TAX ASSET</b>	<b>(20)</b>	<b>33.463.189</b>	<b>4.369</b>	<b>33.467.558</b>	<b>5.925.700</b>	<b>2.387</b>	<b>5.928.087</b>
<b>X. OTHER ASSETS (Net)</b>	<b>(22)</b>	<b>48.484.102</b>	<b>7.024.620</b>	<b>55.508.722</b>	<b>33.544.569</b>	<b>5.434.369</b>	<b>38.978.938</b>
<b>TOTAL ASSETS</b>		<b>2.573.016.606</b>	<b>1.681.413.436</b>	<b>4.254.430.042</b>	<b>1.428.032.016</b>	<b>1.125.090.097</b>	<b>2.553.122.113</b>

The accompanying explanations and notes form an integral part of these financial statements.

# CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 31 DECEMBER 2023)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

II- CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) LIABILITIES	Note (Section Five II)	Current Period 31 December 2023			Prior Period 31 December 2022		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	(1)	1.907.061.388	1.392.762.459	3.299.823.847	1.022.611.831	917.697.241	1.940.309.072
<b>II. FUNDS BORROWED</b>	(3)	7.420.298	203.100.767	210.521.065	10.585.299	104.826.734	115.412.033
<b>III. MONEY MARKETS BORROWINGS</b>	(4)	5.469.316	88.831.593	94.300.909	21.081.863	71.536.825	92.618.688
<b>IV. SECURITIES ISSUED (Net)</b>	(5)	5.456.221	61.111.533	66.567.754	5.043.347	26.762.609	31.805.956
4.1 Bills		995.040	7.518.533	8.513.573	-	644.547	644.547
4.2 Asset Backed Securities		4.461.181	14.918.648	19.379.829	4.394.241	-	4.394.241
4.3 Bonds		-	38.674.352	38.674.352	649.106	26.118.062	26.767.168
<b>V. FUNDS</b>		24.055	-	24.055	34.703	-	34.703
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		24.055	-	24.055	34.703	-	34.703
<b>VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		-	-	-	-	-	-
<b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>	(2)	784.425	2.885.647	3.670.072	230.714	2.928.846	3.159.560
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		784.425	2.885.647	3.670.072	230.714	2.928.846	3.159.560
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
<b>VIII. FACTORING LIABILITIES</b>		-	-	-	-	-	-
<b>IX. LEASE LIABILITIES (Net)</b>	(7)	4.569.589	217.529	4.787.118	1.708.872	141.207	1.850.079
<b>X. PROVISIONS</b>	(9)	32.939.301	5.534.146	38.473.447	50.350.077	789.053	51.139.130
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		6.204.725	31.460	6.236.185	6.913.761	19.662	6.933.423
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		26.734.576	5.502.686	32.237.262	43.436.316	769.391	44.205.707
<b>XI. CURRENT TAX LIABILITY</b>	(10)	12.091.518	196.547	12.288.065	9.488.172	68.321	9.556.493
<b>XII. DEFERRED TAX LIABILITY</b>	(10)	2.621	13.786	16.407	279.620	22.178	301.798
<b>XIII. LIABILITIES RELATED TO NON- CURRENT ASSETS "HELD FOR SALE" AND "HELD FROM DISCONTINUED OPERATIONS" (Net)</b>	(11)	-	-	-	-	-	-
13.1 Held for Sale Purpose		-	-	-	-	-	-
13.2 Held from Discontinued Operations		-	-	-	-	-	-
<b>XIV. SUBORDINATED DEBT INSTRUMENTS</b>	(12)	-	51.072.217	51.072.217	-	31.546.716	31.546.716
14.1 Loans		-	4.451.686	4.451.686	-	2.597.654	2.597.654
14.2 Other Debt Instruments		-	46.620.531	46.620.531	-	28.949.062	28.949.062
<b>XV. OTHER LIABILITIES</b>	(6)	73.968.538	35.930.457	109.898.995	47.989.401	13.316.734	61.306.135
<b>XVI. SHAREHOLDERS' EQUITY</b>	(13)	370.017.687	(7.031.596)	362.986.091	230.967.047	(16.885.297)	214.081.750
16.1 Paid-in capital		84.600.000	-	84.600.000	34.900.000	-	34.900.000
16.2 Capital Reserves		-	-	-	-	-	-
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		-	-	-	-	-	-
16.3 Accumulated Other Comprehensive Income or Expense Not Reclassified Through Profit or Loss		39.302.938	506.768	39.809.706	23.287.460	710.470	23.997.930
16.4 Accumulated Other Comprehensive Income or Expense Reclassified Through Profit or Loss		22.303.724	(12.807.126)	9.496.598	49.275.364	(19.920.751)	29.354.613
16.5 Profit Reserves		115.390.234	5.268.762	120.658.996	72.407.679	2.324.984	74.732.663
16.5.1 Legal Reserves		8.291.198	215.719	8.506.917	5.980.365	101.455	6.081.820
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		106.849.547	116.184	106.965.731	66.219.530	91.651	66.311.181
16.5.4 Other Profit Reserves		249.489	4.936.859	5.186.348	207.784	2.131.878	2.339.662
16.6 Profit or (Loss)		101.536.877	-	101.536.877	47.416.520	-	47.416.520
16.6.1 Prior Periods' Profit or (Loss)		2.192.570	-	2.192.570	954.399	-	954.399
16.6.2 Current Period Profit or (Loss)		99.344.307	-	99.344.307	46.462.121	-	46.462.121
16.7 Minority Interest		6.883.914	-	6.883.914	3.680.024	-	3.680.024
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		2.419.804.957	1.834.625.085	4.254.430.042	1.400.370.946	1.152.751.167	2.553.122.113

The accompanying explanations and notes form an integral part of these financial statements.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

# CONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

III. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS	Note (Section Five III)	Current Period			Prior Period		
		31 December 2023			31 December 2022		
		TL	FC	Total	TL	FC	Total
<b>A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>1.198.625.252</b>	<b>1.678.825.121</b>	<b>2.877.450.373</b>	<b>471.798.516</b>	<b>986.564.940</b>	<b>1.458.363.456</b>
<b>I. GUARANTEES AND WARRANTIES (1,3)</b>		<b>336.979.643</b>	<b>530.264.192</b>	<b>867.243.835</b>	<b>160.834.936</b>	<b>300.894.991</b>	<b>461.729.927</b>
1.1 Letters of Guarantee		282.069.537	410.303.320	692.372.857	144.309.592	216.165.034	360.474.626
1.1.1 Guarantees Subject to State Tender Law		6.522.014	89.577.964	96.099.978	4.023.376	39.196.533	43.219.909
1.1.2 Guarantees Given for Foreign Trade Operations		218.804.060	261.891.995	480.696.055	112.910.266	134.083.385	246.993.651
1.1.3 Other Letters of Guarantee		56.743.463	58.833.361	115.576.824	27.375.950	42.885.116	70.261.066
1.2 Bank Acceptances		1.305.171	7.087.875	8.393.046	1.808.014	10.470.395	12.278.409
1.2.1 Import Letter of Acceptance		1.305.171	7.059.590	8.364.761	1.808.014	10.451.684	12.259.698
1.2.2 Other Bank Acceptances		-	28.285	28.285	-	18.711	18.711
1.3 Letters of Credit		635.033	111.634.011	112.269.044	1.447.753	71.665.733	73.113.486
1.3.1 Documentary Letters of Credit		635.033	111.386.311	112.021.344	1.447.753	71.174.892	72.622.645
1.3.2 Other Letters of Credit		-	247.700	247.700	-	490.841	490.841
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		52.950.762	362.683	53.313.445	12.912.019	1.429.664	14.341.683
1.5.1 Endorsements to the Central Bank of Türkiye		52.950.762	362.683	53.313.445	12.912.019	1.429.664	14.341.683
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7 Factoring Guarantees		-	-	-	-	-	-
1.8 Other Guarantees		10.586	876.303	886.889	340.558	1.164.165	1.504.723
1.9 Other Collaterals		8.554	-	8.554	17.000	-	17.000
<b>II. COMMITMENTS</b>		<b>594.527.025</b>	<b>138.610.241</b>	<b>733.137.266</b>	<b>201.093.905</b>	<b>61.500.957</b>	<b>262.594.862</b>
2.1 Irrevocable Commitments (1,3)		594.527.025	73.269.205	667.796.230	201.093.905	28.961.039	230.054.944
2.1.1 Asset Purchase and Sale Commitments		42.836.921	61.553.228	104.390.149	16.547.842	23.293.657	39.841.499
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	150.000	-	150.000
2.1.4 Loan Granting Commitments		98.853.463	171.994	99.025.457	51.521.682	75.904	51.597.586
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheque Payments		20.924.030	436	20.924.466	10.866.061	71	10.866.132
2.1.8 Tax and Fund Liabilities from Export Commitments		296.293	-	296.293	95.161	-	95.161
2.1.9 Commitments for Credit Card Limits		392.965.041	207.161	393.172.202	101.406.012	97.165	101.503.177
2.1.10 Commitments for Credit Cards and Banking Services Promotions		260.816	-	260.816	162.830	-	162.830
2.1.11 Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		38.390.461	11.336.386	49.726.847	20.344.317	5.494.242	25.838.559
2.2 Revocable Commitments		-	65.341.036	65.341.036	-	32.539.918	32.539.918
2.2.1 Revocable Loan Granting Commitments		-	3.797.670	3.797.670	-	882.400	882.400
2.2.2 Other Revocable Commitments		-	61.543.366	61.543.366	-	31.657.518	31.657.518
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS (2)</b>		<b>267.118.584</b>	<b>1.009.950.688</b>	<b>1.277.069.272</b>	<b>109.869.675</b>	<b>624.168.992</b>	<b>734.038.667</b>
3.1 Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1 Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2 Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3 Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2 Trading Derivative Financial Instruments		267.118.584	1.009.950.688	1.277.069.272	109.869.675	624.168.992	734.038.667

The accompanying explanations and notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

III. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS	Note (Section Five III)	Current Period			Prior Period		
		31 December 2023			31 December 2022		
		TL	FC	Total	TL	FC	Total
3.2.1	Forward Foreign Currency Buy/Sell Transactions	18.011.147	22.843.608	40.854.755	1.079.526	1.245.729	2.325.255
3.2.1.1	Forward Foreign Currency Transactions-Buy	9.050.559	11.401.268	20.451.827	898.509	340.805	1.239.314
3.2.1.2	Forward Foreign Currency Transactions-Sell	8.960.588	11.442.340	20.402.928	181.017	904.924	1.085.941
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates	249.107.437	975.837.382	1.224.944.819	105.501.863	610.830.567	716.332.430
3.2.2.1	Foreign Currency Swap-Buy	14.878.180	528.892.444	543.770.624	27.605.856	280.625.767	308.231.623
3.2.2.2	Foreign Currency Swap-Sell	234.079.257	312.066.718	546.145.975	77.616.007	225.101.612	302.717.619
3.2.2.3	Interest Rate Swap-Buy	75.000	67.439.110	67.514.110	140.000	52.551.594	52.691.594
3.2.2.4	Interest Rate Swap-Sell	75.000	67.439.110	67.514.110	140.000	52.551.594	52.691.594
3.2.3	Foreign Currency, Interest rate and Securities Options	-	11.269.698	11.269.698	2.588.463	11.531.741	14.120.204
3.2.3.1	Foreign Currency Options-Buy	-	5.634.848	5.634.848	1.205.579	5.851.074	7.056.653
3.2.3.2	Foreign Currency Options-Sell	-	5.634.850	5.634.850	1.382.884	5.680.667	7.063.551
3.2.3.3	Interest Rate Options-Buy	-	-	-	-	-	-
3.2.3.4	Interest Rate Options-Sell	-	-	-	-	-	-
3.2.3.5	Securities Options-Buy	-	-	-	-	-	-
3.2.3.6	Securities Options-Sell	-	-	-	-	-	-
3.2.4	Foreign Currency Futures	-	-	-	699.823	560.955	1.260.778
3.2.4.1	Foreign Currency Futures-Buy	-	-	-	-	560.955	560.955
3.2.4.2	Foreign Currency Futures-Sell	-	-	-	699.823	-	699.823
3.2.5	Interest Rate Futures	-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy	-	-	-	-	-	-
3.2.5.2	Interest Rate Futures-Sell	-	-	-	-	-	-
3.2.6	Other	-	-	-	-	-	-
<b>B.</b>	<b>CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>	<b>6.026.119.258</b>	<b>1.812.644.986</b>	<b>7.838.764.244</b>	<b>3.513.442.747</b>	<b>907.777.186</b>	<b>4.421.219.933</b>
<b>IV.</b>	<b>ITEMS HELD IN CUSTODY</b>	<b>723.419.663</b>	<b>343.174.704</b>	<b>1.066.594.367</b>	<b>594.754.521</b>	<b>212.675.066</b>	<b>807.429.587</b>
4.1	Customer Fund and Portfolio Balances	-	-	-	-	-	-
4.2	Investment Securities Held in Custody	19.483.334	145.053.703	164.537.037	28.657.879	88.904.097	117.561.976
4.3	Cheques Received for Collection	114.910.279	3.726.744	118.637.023	58.723.615	2.968.243	61.691.858
4.4	Commercial Notes Received for Collection	62.726.797	3.969.230	66.696.027	37.674.944	2.242.823	39.917.767
4.5	Other Assets Received for Collection	8.816	-	8.816	8.816	-	8.816
4.6	Assets Received for Public Offering	356.075.512	42.469.593	398.545.105	370.354.780	4.478.652	374.833.432
4.7	Other Items Under Custody	170.213.276	130.202.937	300.416.213	99.332.838	107.880.546	207.213.384
4.8	Custodians	1.649	17.752.497	17.754.146	1.649	6.200.705	6.202.354
<b>V.</b>	<b>PLEDGES RECEIVED</b>	<b>5.298.139.275</b>	<b>1.449.471.897</b>	<b>6.747.611.172</b>	<b>2.915.537.538</b>	<b>683.998.138</b>	<b>3.599.535.676</b>
5.1	Marketable Securities	5.827.171	5.666.160	11.493.331	5.557.821	4.013.053	9.570.874
5.2	Guarantee Notes	69.033.463	41.434.461	110.467.924	46.004.677	21.653.334	67.658.011
5.3	Commodity	29.537.469	11.402.155	40.939.624	9.320.955	4.143.695	13.464.650
5.4	Warranty	-	-	-	-	-	-
5.5	Immovable	4.486.668.950	956.982.243	5.443.651.193	2.379.209.478	407.462.562	2.786.672.040
5.6	Other Pledged Items	707.067.013	433.880.113	1.140.947.126	475.439.398	246.657.488	722.096.886
5.7	Pledged Items-Depository	5.209	106.765	111.974	5.209	68.006	73.215
<b>VI.</b>	<b>ACCEPTED BILL, GUARANTEES AND WARRANTIES</b>	<b>4.560.320</b>	<b>19.998.385</b>	<b>24.558.705</b>	<b>3.150.688</b>	<b>11.103.982</b>	<b>14.254.670</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		<b>7.224.744.510</b>	<b>3.491.470.107</b>	<b>10.716.214.617</b>	<b>3.985.241.263</b>	<b>1.894.342.126</b>	<b>5.879.583.389</b>

The accompanying explanations and notes form an integral part of these financial statements.



TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

	Note (Section Five IV)	Current Period 1 January- 31 December 2023	Prior Period 1 January- 31 December 2022
<b>IV. CONSOLIDATED STATEMENT OF PROFIT OR LOSS INCOME AND EXPENSE ITEMS</b>			
<b>I. INTEREST INCOME</b>	<b>(1)</b>	<b>477.257.675</b>	<b>243.398.423</b>
1.1 Interest on Loans		293.824.913	137.383.422
1.2 Interest on Reserve Requirements		25.133	528.766
1.3 Interest on Banks		5.110.793	2.908.984
1.4 Interest on Money Market Transactions		2.015.617	92.310
1.5 Interest on Marketable Securities Portfolio		159.775.619	100.298.692
1.5.1 Fair Value Through Profit or Loss		1.062.589	698.951
1.5.2 Fair Value Through Other Comprehensive Income		98.471.074	71.516.519
1.5.3 Measured at Amortised Cost		60.241.956	28.083.222
1.6 Financial Lease Interest Income		9.670.682	1.257.347
1.7 Other Interest Income		6.834.918	928.902
<b>II. INTEREST EXPENSE (-)</b>	<b>(2)</b>	<b>336.566.738</b>	<b>111.944.304</b>
2.1 Interest on Deposits		301.050.422	84.583.177
2.2 Interest on Funds Borrowed		11.604.420	3.734.831
2.3 Interest Expense on Money Market Transactions		12.060.552	12.185.119
2.4 Interest on Securities Issued		6.695.005	3.709.498
2.5 Interest on Leases		671.537	266.699
2.6 Other Interest Expenses		4.484.802	7.464.980
<b>III. NET INTEREST INCOME/EXPENSE (I - II)</b>		<b>140.690.937</b>	<b>131.454.119</b>
<b>IV. NET FEES AND COMMISSIONS INCOME</b>		<b>37.508.388</b>	<b>14.673.232</b>
4.1 Fees and Commissions Received		53.477.767	19.738.133
4.1.1 Non-cash Loans		5.714.808	2.984.717
4.1.2 Other		47.762.959	16.753.416
4.2 Fees and Commissions Paid (-)		15.969.379	5.064.901
4.2.1 Non-cash Loans		1.486	1.024
4.2.2 Other		15.967.893	5.063.877
<b>V. DIVIDEND INCOME</b>	<b>(3)</b>	<b>63.947</b>	<b>50.126</b>
<b>VI. TRADING PROFIT/(LOSS) (Net)</b>	<b>(4)</b>	<b>21.512.385</b>	<b>3.509.147</b>
6.1 Trading Gains/(Losses) on Securities		4.031.887	3.320.733
6.2 Gains/(Losses) on Derivative Financial Transactions		(18.591.744)	(8.380.696)
6.3 Foreign Exchange Gains/(Losses)		36.072.242	8.569.110
<b>VII. OTHER OPERATING INCOME</b>	<b>(5)</b>	<b>37.043.633</b>	<b>10.213.682</b>
<b>VIII. GROSS OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>236.819.290</b>	<b>159.900.306</b>
<b>IX. EXPECTED CREDIT LOSS (-)</b>	<b>(6)</b>	<b>34.727.428</b>	<b>33.000.917</b>
<b>X. OTHER PROVISION EXPENSES (-)</b>	<b>(6)</b>	<b>572.717</b>	<b>29.968.573</b>
<b>XI. PERSONNEL EXPENSE (-)</b>		<b>25.768.998</b>	<b>10.617.697</b>
<b>XII. OTHER OPERATING EXPENSES (-)</b>	<b>(7)</b>	<b>68.984.176</b>	<b>17.876.020</b>
<b>XIII. NET OPERATING PROFIT/(LOSS) (VIII-IX-X-XI-XII)</b>		<b>106.765.971</b>	<b>68.437.099</b>
<b>XIV. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>		-	-
<b>XV. PROFIT/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>		<b>307.787</b>	<b>315.745</b>
<b>XVI. PROFIT/(LOSS) ON NET MONETARY POSITION</b>		-	-
<b>XVII. PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)</b>	<b>(10)</b>	<b>107.073.758</b>	<b>68.752.844</b>
<b>XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	<b>(11)</b>	<b>(7.533.104)</b>	<b>(22.139.383)</b>
18.1 Current Tax Provision		(24.438.127)	(33.599.073)
18.2 Deferred Tax Expense Effect (+)		(3.984.470)	(4.707.072)
18.3 Deferred Tax Income Effect (-)		20.889.493	16.166.762
<b>XIX. CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)</b>	<b>(12)</b>	<b>99.540.654</b>	<b>46.613.461</b>
<b>XX. INCOME FROM DISCONTINUED OPERATIONS</b>		-	-
20.1 Income from Non-current Assets Held for Sale		-	-
20.2 Profit from Sales of Associates, Subsidiaries and Entities under Common Control (Joint Ventures)		-	-
20.3 Income from Other Discontinued Operations		-	-
<b>XXI. EXPENSES FOR DISCONTINUED OPERATIONS (-)</b>		-	-
21.1 Expenses for Non-current Assets Held for Sale		-	-
21.2 Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3 Expenses from Other Discontinued Operations		-	-
<b>XXII. PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)</b>	<b>(10)</b>	-	-
<b>XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>	<b>(11)</b>	-	-
23.1 Current Tax Provision		-	-
23.2 Deferred Tax Expense Effect (+)		-	-
23.3 Deferred Tax Income Effect (-)		-	-
<b>XXIV. CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>	<b>(11)</b>	-	-
<b>XXV. NET PROFIT/(LOSS) (XIX+XXIV)</b>	<b>(12)</b>	<b>99.540.654</b>	<b>46.613.461</b>
25.1 Profit/(Loss) from the Group		99.344.307	46.462.121
25.2 Profit/(Loss) from Minority Interest	(8)	196.347	151.340
Earnings/(Loss) per share (in TL full)		1,371	1,523

The accompanying explanations and notes form an integral part of these financial statements.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

V. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Current Period	Prior Period
	1 January - 31 December 2023	1 January - 31 December 2022
<b>I. PROFIT (LOSS)</b>	<b>99.540.654</b>	<b>46.613.461</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>(4.086.000)</b>	<b>43.806.604</b>
<b>2.1 Other Comprehensive Income That Will Not Be Reclassified To Profit or Loss</b>	<b>15.772.015</b>	<b>15.227.178</b>
2.1.1 Gains (Losses) on Revaluation of Property, Plant and Equipment	10.435.142	19.101.116
2.1.2 Gains (losses) on revaluation of Intangible Assets	-	-
2.1.3 Gains (losses) on remeasurements of defined benefit plans	1.716.344	(4.095.923)
2.1.4 Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	2.942.812	690.593
2.1.5 Taxes Relating to Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	677.717	(468.608)
<b>2.2 Other Comprehensive Income That Will Be Reclassified to Profit or Loss</b>	<b>(19.858.015)</b>	<b>28.579.426</b>
2.2.1 Exchange Differences on Translation	3.562.379	1.226.805
2.2.2 Valuation and/or Reclassification Profit or Loss from financial assets at fair value through other comprehensive income	(37.801.208)	33.892.131
2.2.3 Income (Loss) Related with Cash Flow Hedges	-	-
2.2.4 Income (Loss) Related with Hedges of Net Investments in Foreign Operations	4.224.348	1.597.336
2.2.5 Other Components of Other Comprehensive Income that will be Reclassified to Other Profit or Loss	-	-
2.2.6 Taxes Relating to Components of Other Comprehensive Income That Will Be Reclassified to Profit Or Loss	10.156.466	(8.136.846)
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>95.454.654</b>	<b>90.420.065</b>

The accompanying explanations and notes form an integral part of these financial statements.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

VI. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premiums	Share Cancellation profit	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss r		
					1	2	3
<b>Current Period</b>							
<b>31 December 2023</b>							
<b>I. Prior Period End Balance</b>	<b>34.900.000</b>	-	-	-	<b>24.730.136</b>	<b>(2.852.002)</b>	<b>2.119.796</b>
<b>II. Corrections and Accounting Policy Changes Made According to TAS 8</b>	-	-	-	-	-	-	-
2.1 Effects of Adjustment	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-
<b>III. New Balance (I+II)</b>	<b>34.900.000</b>	-	-	-	<b>24.730.136</b>	<b>(2.852.002)</b>	<b>2.119.796</b>
<b>IV. Total Comprehensive Income (Loss)</b>	-	-	-	-	<b>11.167.284</b>	<b>1.376.570</b>	<b>3.228.161</b>
<b>V. Capital Increase in Cash</b>	<b>49.700.000</b>	-	-	-	-	-	-
<b>VI. Capital Increase Through Internal Reserves</b>	-	-	-	-	-	-	-
<b>VII. Paid-in capital inflation adjustment difference</b>	-	-	-	-	-	-	-
<b>VIII. Convertible Bonds</b>	-	-	-	-	-	-	-
<b>IX. Subordinated debt instruments</b>	-	-	-	-	-	-	-
<b>X. Increase/(Decrease) Through Other Changes</b>	-	-	-	-	-	-	-
<b>XI. Profit distribution</b>	-	-	-	-	-	-	<b>39.761</b>
11.1 Dividends paid	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-
11.3 Other	-	-	-	-	-	-	39.761
<b>Balance at the end of the period (III+IV+.....+X+XI)</b>	<b>84.600.000</b>	-	-	-	<b>35.897.420</b>	<b>(1.475.432)</b>	<b>5.387.718</b>

1. Increases and decreases in Tangible Assets Revaluation Reserve,

2. Accumulated Gains/Losses on Remeasurements of Defined Benefit Plans

3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Not Reclassified Through Profit or Loss Differences on Translation

4. Exchange Differences on Translation

5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets at fair value through other comprehensive income

6. Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Reclassified Through Profit or Loss

The accompanying explanations and notes form an integral part of these financial statements.

Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior Period Net Profit/ (Loss)	Current Period Net Profit/ (Loss)	Shareholders' Equity Before Minority Interest	Minority Interest	Total Equity
4	5	6						
5.623.376	19.938.833	3.792.404	74.732.663	47.416.520	-	210.401.726	3.680.024	214.081.750
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
5.623.376	19.938.833	3.792.404	74.732.663	47.416.520	-	210.401.726	3.680.024	214.081.750
3.562.379	(27.644.742)	4.224.348	-	-	99.344.307	95.258.307	196.347	95.454.654
-	-	-	-	-	-	49.700.000	-	49.700.000
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	(332.772)	1.079.678	-	746.906	3.007.543	3.754.449
-	-	-	46.259.105	(46.303.628)	-	(4.762)	-	(4.762)
-	-	-	-	(4.762)	-	(4.762)	-	(4.762)
-	-	-	46.253.776	(46.253.776)	-	-	-	-
-	-	-	5.329	(45.090)	-	-	-	-
9.185.755	(7.705.909)	8.016.752	120.658.996	2.192.570	99.344.307	356.102.177	6.883.914	362.986.091

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

VI. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premiums	Share Cancellation profits	Other capital reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss		
					1	2	3
<b>Prior Period</b>							
<b>31 December 2022</b>							
<b>I. Prior Period End Balance</b>	<b>13.100.000</b>	-	-	-	<b>6.983.490</b>	<b>219.940</b>	<b>1.550.632</b>
<b>II. Corrections and Accounting Policy Changes Made According to TAS 8r</b>	-	-	-	-	-	-	-
2.1 Effects of Corrections	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-
<b>III. New Balance (I+II)</b>	<b>13.100.000</b>	-	-	-	<b>6.983.490</b>	<b>219.940</b>	<b>1.550.632</b>
<b>IV. Total Comprehensive Income (Loss)</b>	-	-	-	-	<b>17.746.646</b>	<b>(3.071.942)</b>	<b>552.474</b>
<b>V. Capital Increase in Cash</b>	<b>21.800.000</b>	-	-	-	-	-	-
<b>VI. Capital Increase Through Internal Reserves</b>	-	-	-	-	-	-	-
<b>VII. Paid-in capital inflation adjustment difference</b>	-	-	-	-	-	-	-
<b>VIII. Convertible Bonds</b>	-	-	-	-	-	-	-
<b>IX. Subordinated debt instruments</b>	-	-	-	-	-	-	-
<b>X. Increase/(Decrease) Through Other Changes</b>	-	-	-	-	-	-	<b>(8.958)</b>
<b>XI. Profit distribution</b>	-	-	-	-	-	-	<b>25.648</b>
11.1 Dividends paid	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-
11.3 Other	-	-	-	-	-	-	25.648
<b>Balance at the end of the period (III+IV+.....+X+XI)</b>	<b>34.900.000</b>	-	-	-	<b>24.730.136</b>	<b>(2.852.002)</b>	<b>2.119.796</b>

1. Increases and decreases in Tangible Assets Revaluation Reserve

2. Accumulated Gains/Losses on Remeasurements of Defined Benefit Plans

3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Not Reclassified Through Profit or Loss Differences on Translation

4. Exchange Differences on Translation

5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets at fair value through other comprehensive income

6. Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Reclassified Through Profit or Loss

The accompanying explanations and notes form an integral part of these financial statements.

Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior Period Net Profit/ (Loss)	Current Period Net Profit/ (Loss)	Shareholders' Equity Before Minority Interest	Minority Interest	Total Equity
4	5	6						
4.396.571	(5.813.923)	2.195.068	68.565.711	8.355.475	-	99.552.964	1.590.155	101.143.119
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
4.396.571	(5.813.923)	2.195.068	68.565.711	8.355.475	-	99.552.964	1.590.155	101.143.119
1.226.805	25.755.285	1.597.336	-	-	46.462.121	90.268.725	151.340	90.420.065
-	-	-	-	-	-	21.800.000	-	21.800.000
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	(2.529)	-	(1.461.395)	255.739	-	(1.217.143)	1.938.529	721.386
-	-	-	7.628.347	(7.656.815)	-	(2.820)	-	(2.820)
-	-	-	-	(2.820)	-	(2.820)	-	(2.820)
-	-	-	7.590.296	(7.590.296)	-	-	-	-
-	-	-	38.051	(63.699)	-	-	-	-
5.623.376	19.938.833	3.792.404	74.732.663	954.399	46.462.121	210.401.726	3.680.024	214.081.750

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

# CONSOLIDATED STATEMENT OF CASH FLOWS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

	Current Period 1 January - 31 December 2023	Prior Period 1 January - 31 December 2022
<b>VII. CONSOLIDATED STATEMENT OF CASH FLOWS</b>	<b>Note</b>	
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>		
<b>1.1 Operating Profit Before Changes in Operating Assets and Liabilities</b>	<b>6.806.145</b>	<b>76.085.746</b>
1.1.1 Interest Received	383.418.658	198.653.832
1.1.2 Interest Paid	(286.365.467)	(101.490.515)
1.1.3 Dividend Received	63.947	50.126
1.1.4 Fees and Commissions Received	52.963.382	26.938.883
1.1.5 Other Income	11.262.842	7.779.508
1.1.6 Collections from Previously Written-off Loans and Other Receivables	6.222.682	5.918.343
1.1.7 Cash Payments to Personnel and Service Suppliers	(28.608.132)	(11.102.158)
1.1.8 Taxes Paid	(24.049.955)	(26.272.628)
1.1.9 Other	(108.101.812)	(24.389.645)
<b>1.2 Changes in Operating Assets and Liabilities</b>	<b>367.516.370</b>	<b>137.552.640</b>
1.2.1 Net (Increase)/Decrease in Financial Assets at Fair Value Through Profit or Loss	(34.230.131)	(7.726.578)
1.2.2 Net (Increase)/Decrease in Due from Banks and Other Financial Institutions	(77.131.925)	(69.431.199)
1.2.3 Net (Increase)/Decrease in Loans	(654.027.058)	(533.065.970)
1.2.4 Net (Increase)/Decrease in Other Assets	(37.457.814)	(36.614.028)
1.2.5 Net Increase/(Decrease) in Bank Deposits	3.057.494	16.267.070
1.2.6 Net Increase/(Decrease) in Other Deposits	1.048.929.273	802.670.078
1.2.7 Net Increase/(Decrease) in Financial Liabilities at Fair Value Through Profit or Loss	-	-
1.2.8 Net Increase/(Decrease) in Funds Borrowed	62.541.018	28.351.629
1.2.9 Net Increase/(Decrease) in Payables	-	-
1.2.10 Net Increase/(Decrease) in Other Liabilities	55.835.513	(62.898.362)
<b>I. Net Cash Provided from Banking Operation</b>	<b>374.322.515</b>	<b>213.638.386</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>II. Net Cash Provided from Investing Activities</b>	<b>(197.710.895)</b>	<b>(113.078.290)</b>
2.1 Cash Paid for Acquisition of Investments, Associates, Subsidiaries and Entities under Common Control (Joint Venture)	(141.785)	(109.579)
2.2 Cash Obtained from Disposal of Investments, Associates, Subsidiaries and Entities under Common Control (Joint Venture)	-	1.750
2.3 Purchases of Property and Equipment	(10.462.452)	(4.567.101)
2.4 Disposals of Property and Equipment	1.006.989	286.760
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(276.420.617)	(102.493.761)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income	196.911.788	76.625.461
2.7 Purchase of Financial Assets Measured at Amortized Cost	(119.871.066)	(84.597.720)
2.8 Sale of Financial Assets Measured at Amortized Cost	11.266.248	1.775.900
2.9 Other	-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III. Net Cash Provided from Financing Activities</b>	<b>71.480.726</b>	<b>13.872.885</b>
3.1 Cash Obtained from Funds Borrowed and Securities Issued	52.801.993	18.931.781
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued	(29.628.006)	(26.307.725)
3.3 Issued Equity Instruments	49.700.000	21.800.000
3.4 Dividends Paid	-	-
3.5 Payments for Finance Leases	(1.393.261)	(551.171)
3.6 Other	-	-
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>	<b>(1) 14.447.812</b>	<b>4.750.901</b>
<b>V. Net Increase in Cash and Cash Equivalents (I+II+III+IV)</b>	<b>262.540.158</b>	<b>119.183.882</b>
<b>VI. Cash and Cash Equivalents at Beginning of the Period</b>	<b>(1) 229.305.437</b>	<b>110.121.555</b>
<b>VII. Cash and Cash Equivalents at End of the Period</b>	<b>(1) 491.845.595</b>	<b>229.305.437</b>

The accompanying explanations and notes form an integral part of these financial statements.

# STATEMENT OF PROFIT DISTRIBUTION AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

<b>VIII. STATEMENT OF PROFIT DISTRIBUTION <sup>(*)</sup></b>		<b>Current Period 31 December 2023</b>	<b>Prior Period 31 December 2022</b>
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>			
1.1	Current Year Income	95.567.770	61.250.539
1.2	Taxes And Duties Payable (-)	(5.716.290)	(20.158.162)
1.2.1	Corporate Tax (Income tax)	(22.305.447)	(30.324.299)
1.2.2	Income withholding tax	-	-
1.2.3	Other taxes and duties <sup>(**)</sup>	16.589.157	10.166.137
<b>A.</b>	<b>NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>89.851.480</b>	<b>41.092.377</b>
1.3	Prior Year Losses (-)	-	-
1.4	First Legal Reserves (-)	-	2.054.619
1.5	Other Statutory Reserves (-)	-	-
<b>B.</b>	<b>NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]</b>	<b>-</b>	<b>39.037.758</b>
1.6	First Dividend to Shareholders (-)	-	-
1.6.1	To Owners of Ordinary Shares	-	-
1.6.2	To Owners of Privileged Shares	-	-
1.6.3	To Owners of Preferred Shares	-	-
1.6.4	To Profit Sharing Bonds	-	-
1.6.5	To Holders of Profit and Loss Sharing Certificates	-	-
1.7	Dividends to Personnel (-)	-	-
1.8	Dividends to Board of Directors (-)	-	-
1.9	Second Dividend to Shareholders (-)	-	-
1.9.1	To Owners of Ordinary Shares	-	-
1.9.2	To Owners of Privileged Shares	-	-
1.9.3	To Owners of Preferred Shares	-	-
1.9.4	To Profit Sharing Bonds	-	-
1.9.5	To Holders of Profit and Loss Sharing Certificates	-	-
1.10	Statutory Reserves (-)	-	-
1.11	Extraordinary Reserves	-	39.037.758
1.12	Other Reserves	-	-
1.13	Special Funds	-	-
<b>II. DISTRIBUTION OF RESERVES</b>			
2.1	Appropriated Reserves	-	-
2.2	Dividends to Shareholders (-)	-	-
2.3.1	To Owners of Ordinary Shares	-	-
2.3.2	To Owners of Privileged Shares	-	-
2.3.3	To Owners of Preferred Shares	-	-
2.3.4	To Profit Sharing Bonds	-	-
2.3.5	To Holders of Profit and Loss Sharing Certificates	-	-
2.3.	Dividends to Personnel (-)	-	-
2.4	Dividends to Board of Directors (-)	-	-
<b>III. EARNINGS PER SHARE</b>			
3.1	To Owners of Ordinary Shares	1,237	1,343
3.2	To Owners of Ordinary Shares (%)	123,7	134,3
3.3	To Owners of Privileged Shares	-	-
3.4	To Owners of Privileged Shares (%)	-	-
<b>IV. DIVIDEND PER SHARE</b>			
4.1	To Owners of Ordinary Shares	-	-
4.2	To Owners of Ordinary Shares (%)	-	-
4.3	To Owners of Privileged Shares	-	-
4.4	To Owners of Privileged Shares (%)	-	-

<sup>(\*)</sup> The profit distribution table has been prepared according to the unconsolidated financial statements of the Parent Bank Profit distribution is decided by the Ordinary General Assembly of the Parent Bank. As of the date of the preparation of financial statements, the meeting for Ordinary General Assembly meeting for 2023 has not been held.

<sup>(\*\*)</sup> Deferred tax income is shown in the other taxes and duties line.

The accompanying explanations and notes form an integral part of these financial statements.



TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

## SECTION THREE

### EXPLANATIONS ON ACCOUNTING POLICIES

#### I. BASIS OF PRESENTATION

The consolidated financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” (“Regulation”) related with Banking Law numbered 5411 published in the Official Gazette No. 26333 dated 1 November 2006 and other regulations related to reporting principles on accounting records of Banks published by Banking Regulation and Supervision Agency (“BRSA”) and circulars and interpretations published by BRSA (together referred as BRSA Accounting and Reporting Legislation) and in case where a specific regulation is not made by BRSA, Turkish Financial Reporting Standards (“TFRS”) and (referred as “Turkish Accounting and Financial Reporting Regulations” or “Reporting Standards”) put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”).

Format and content of the publicly announced consolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements” published in the Official Gazette No. 28337, dated 28 June 2012 and “Communiqué on Public Disclosures on Risk Management”, published in the Official Gazette No. 29511, dated 23 October 2015 and amendments to these Communiqué. The Parent Bank maintains its books in Turkish Lira in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation.

Financial statements of subsidiaries abroad are prepared in accordance with prevalent law and legislation in their country, adjustments and reclassifications are reflected on the purpose of fair presentation pursuant to Reporting Standards.

The consolidated financial statements have been prepared under the historical cost convention, except for the financial assets and liabilities carried at fair value.

The preparation of financial statements requires the use of certain critical estimates on assets and liabilities reported as of balance sheet date or amount of contingent assets and liabilities explained and amount of income and expenses occurred in related period. Although these estimates rely on the management’s best judgment, actual results can vary from these estimates. Judgements and estimates are explained in related notes.

Unless otherwise specified, all balances in the financial statements and related disclosures are expressed in Thousand Turkish Lira (“TL”).

The Parent Bank reflected the estimates and judgments into the calculation of expected credit losses with the maximum effort and the best estimation method. The Parent Bank has revised its macroeconomic expectations and has reflected to the financial statement as of 31 December 2023, by taking into account the change in probability of default and loss given default.

In this context, the Parent Bank has measured the impact of its macroeconomic expectations on NPL receivables in different scenarios. In the NPL conversion rate, it has taken into consideration in the calculation by reflecting the coefficient, which is considered to reflect the current situation, to the loan parameters.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

On November 23, 2023, POA announced that, entities reporting under the TFRS should begin implementing "TAS - 29 Financial Reporting in Hyperinflationary Economies" standard in their financial statements, from periods ending on and after December 31, 2023. Besides, regulatory and auditing bodies that are authorized in their respective areas have flexibility to determine alternative transition dates for the application of TAS - 29. Within the scope of the decision dated December 12, 2023 and numbered 10744 by the BRSA, banks, financial leasing, factoring, financing, savings financing, and asset management companies are not subject to inflation adjustments required under TAS-29 in their financial statements as of December 31, 2023. Based on the decision dated January 11, 2024 and numbered 10825, these entities are required to implement inflation accounting starting from January 1, 2025.

The Parent Bank has a subsidiary operating in Russia with the title of "Ziraat Bank (Moscow) JSC". The tension between Russia and Ukraine for a long time turned into a hot conflict in the first quarter of 2022. In the process that started with Russia's intervention in Ukraine, international sanctions against the Russian Federation and countermeasures implemented by Russia against them had significant effects on financial markets. Ziraat Bank (Moscow) JSC, the subsidiary of the bank, entered this process with a strong equity structure and high liquidity and did not encounter any difficulties.

The new measures and practices introduced by the Central Bank of Russia were especially aimed at reducing the foreign exchange outflow from the country and keeping the credit channels provided to the real sector open. All financial services previously provided by Ziraat Bank (Moscow) JSC are maintained in line with the rules of the local regulatory authority.

The crisis is not expected to have a negative impact on the Group's operations. Developments that may occur on a global scale, their possible repercussions on the global and regional economy, and their effects on the Parent Bank's operations are closely monitored and considered with the best estimation approach in the preparation of financial statements.

## **Benchmark Interest Rate Reform**

As of 30 June 2023, the Group has completed the necessary systemic infrastructure for switching to overnight interest rates in USD Libor indexed derivatives, money market instruments, bonds, loan products and risk management systems. As of 30 June 2023, alternative interest rates have started to be used in floating rate transactions. In terms of current transactions, the transition to alternative interest rates for interbank derivative transactions and money market transactions has been completed, and it does not have a significant impact on the Parent Bank's financials.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

## II. EXPLANATIONS ON STRATEGY OF USING FINANCIAL INSTRUMENTS AND FOREIGN CURRENCY TRANSACTIONS

Main activity of the Parent Bank comprises of banking services, such as; launching all kinds of cash and non-cash loans denominated in Turkish Lira and foreign currencies, performing transactions in local, international money and capital markets, supporting agricultural sector financially and collecting deposits denominated in Turkish Lira and foreign currencies. The Parent Bank’s main funding sources are deposits, repurchase agreements, issued securities and shareholders’ equity. The Parent Bank directs these funds to assets with high return and low risk that include predominantly domestic government bonds and loans. The Parent Bank’s liquidity structure is considered the financing of all liabilities at due date. Although most of the sources in the Parent Bank’s balance sheet are with fixed interest rate, some of the securities in assets return have floating interest rate. Since the remaining time to re-pricing date of sources is short, cost of sources is repriced in short periods based on the market conditions. Moreover, the Parent Bank adopts higher return principle for its long-term placements.

Loans and securities are instruments from which the Parent Bank gets returns above the average returns within its activity. Letter of guarantees, bank loans, commercial letter of credits, commitments for cheque payments and commitments for credit card limits are the most important risk areas within the off-balance sheet accounts.

Since the Parent Bank’s total debt to the market is low among its total liabilities, the Parent Bank can borrow easily from short-term markets, such as Borsa Istanbul (“BIST”), Central Bank of the Republic of Türkiye, Money Market or Interbank Money Market in case of need. In case of a liquidity crisis, the deposit base of the Parent Bank is not presumed to be significantly affected from liquidity risk since the Parent Bank is a public bank with an extensive branch network.

The cost of foreign currency resources and the return on assets are closely monitored. Deposit interest rates are adjusted in line with market rates to maintain a positive profit margin.

Foreign currency operations are valued by Bank’s prevailing counter currency buying rate at transaction date and reflected to records. At period ends, foreign currency asset and liability balances are valued at the Bank’s period end counter currency buying rates and converted to Turkish currency and the resulting exchange differences are recognized as a “foreign exchange profit or loss”.

For the exchange risk arising from foreign currency conversion of Ziraat Bank International AG, Ziraat Bank BH dd and Ziraat Bank Montenegro AD, the Parent Bank’s subsidiaries to which capital was paid in Euro amounts, Euro deposits are used for hedging purposes. Information regarding the investment hedge accounting for the operation abroad, which is applied to protect the total capital amount associated for this purpose, 346.853 thousand Euros (31 December 2022: 336.627 thousand Euros), from the effect of exchange rate risk arising from changes in foreign exchange rates, in the Fourth Chapter VIII.

Assets and liabilities of the overseas branches of the Parent Bank are converted into Turkish Lira with the Parent Bank’s prevailing counter currency buying rates at the balance sheet date.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## III. INFORMATION ON CONSOLIDATED SUBSIDIARIES

### 1. Consolidation Principles Applied

The consolidated financial statements have been prepared in accordance with the procedures listed in the "Communiqués related to the Regulation on the Preparation of the Consolidated Financial Statements of Banks" published in the Official Gazette No. 26340 dated 8 November 2006 and the "Consolidated Financial Statements" ("IFRS 10").

#### 1.1. Consolidation Principles for Subsidiaries

Subsidiaries are all entities in which the Group has the power to control financial and operational policies for the benefit of the Parent Bank (a) directly and indirectly, with the authority to exercise more than 50% of the voting rights pertaining to shares in the owned companies; or (b) not having the power to exercise more than 50% of the rights of use, otherwise having control over financial and business policies.

Control is evident when the Parent Bank owns, either directly or indirectly, the majority of the share capital of the company or owns the privileged shares or owns the right of controlling the operations of the company in accordance with the agreements made with other shareholders or owns the right of appointment or the designation of the majority of the board of directors of the company.

Subsidiaries are consolidated with full consolidation method, considering the size of their assets and equity within the scope of their activities and the materiality principle. Subsidiaries are included in the scope of consolidation since the control of their activities is transferred to the group and are excluded from the scope of consolidation from the date the control disappears. Where necessary, the accounting policies of the subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

According to the full consolidation method, 100% of the balance sheet, profit or loss statement and off-balance sheet items of the subsidiaries are consolidated with the balance sheet, profit or loss statement and off-balance sheet items of the Parent Bank. The carrying amount of the Group's investments in each subsidiary is netted off with the portion of the capital of each subsidiary that belongs to the Group. Unrealized gains and losses and balances arising from transactions between subsidiaries included in consolidation are eliminated. To determine the net income of the Group, minority interest in the net income of the consolidated subsidiaries have been determined and deducted from the net income of the subsidiary. Minority interests in the consolidated balance sheet are presented separately from the liabilities and shares of the Group shareholders. In addition, minority interests are presented separately in the profit or loss statement interest.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

The subsidiaries included in consolidation, their title, their place of incorporation, their main activities and their effective shareholding rates are as follows:

Title	Address (City/Country)	Main Activities	Parent Bank's Share Percentage (%)	Parent Bank's Risk Group Share Percentage (%)
Ziraat Yatırım Menkul Değerler A.Ş.	İstanbul/Türkiye	Brokerage Houses	99,60	99,60
Ziraat Portföy Yönetimi A.Ş.	İstanbul/Türkiye	Portfolio Management	74,90	99,80
Ziraat Katılım Bankası A.Ş.	İstanbul/Türkiye	Banking	100,00	100,00
Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	İstanbul/Türkiye	Real Estate	81,06	81,06
Ziraat Girişim Sermayesi Ortaklığı A.Ş.	İstanbul/Türkiye	Venture Capital	100,00	100,00
Ziraat Dinamik Banka A.Ş.	İstanbul/Türkiye	Banking	100,00	100,00
Ziraat Finansal Teknolojiler Elektronik Para ve				
Ödeme Hizmetleri A.Ş.	İstanbul/Türkiye	Payment Services	100,00	100,00
Ziraat Bank International AG	Frankfurt/Germany	Banking	100,00	100,00
Ziraat Bank BH d.d.	Sarajevo/Bosnia and Herzegovina	Banking	100,00	100,00
Ziraat Bank (Moscow) JSC	Moscow/Russia	Banking	99,91	100,00
Kazakhstan Ziraat Int. Bank	Almaty/Kazakhstan	Banking	99,92	99,92
Ziraat Bank Azerbaycan ASC	Baku/Azerbaijan	Banking	99,98	100,00
Ziraat Bank Montenegro AD	Podgorica/Montenegro	Banking	100,00	100,00
JSC Ziraat Bank Georgia	Tbilisi/Georgia	Banking	100,00	100,00
Ziraat Bank Uzbekistan JSC	Tashkent/Uzbekistan	Banking	100,00	100,00

## 1.2. Consolidation Principles of Associates and Entities under common control

An associate is a partnership with which the Parent Bank participates in its capital and has significant effect on it although it has no capital or management control, whose main operation is banking, and which operates according to special legislation with permission and license and is established abroad. The related associate is consolidated with equity method in accordance with materiality principle. Significant effect refers to the participation power on the constitution of the financial and management policies of the participated associate. If the Parent Bank has 10% or more voting right on the associate, as long as it is not proved otherwise, it will be accepted that the Parent Bank has significant effect on that associate. Equity method is an accounting method which foresees the increase or decrease of the book value of capital share in an associate from the changed amount in the associate participating shareholder's equity during the period by the portion of the participant and the deduction of the dividend from the associate from the changed value of the associate amount. The associates and joint ventures consolidated with the equity method, their title, place of incorporation, main activities, effective shareholding rates and direct and indirect shareholding rates are as follows:

Title	Address (City/Country)	Main Activities	Parent Bank's Share Percentage (%)	Parent Bank's Risk Group Share Percentage (%)
Turkmen Turkish Joint Stock Commercial Bank	Ashgabat/Turkmenistan	Banking	50,00	50,00
Arap Türk Bankası A.Ş.	İstanbul/Türkiye	Banking	15,43	15,43
Birleşim Varlık Yönetim A.Ş.	İstanbul/Türkiye	Asset Management	16,00	16,00

## 1.3. Principles Applied During Share Transfer, Merger and Acquisition

Acquisition of entities are accounted by the purchase method on the date of purchase when the control is being transferred to the Group. Control explains managing power of Group on entity's financial and operational policies for the purpose of providing benefit from operations of entity. While evaluating control, executable potential voting rights are taken consideration by Group.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 1.4. Transactions with Minority Shareholders

The Group considers transactions with minority shareholders as transactions within the Parent Bank. For acquisitions from minority shareholders, the difference between the acquisition cost and related portion of net assets' booked value is deducted from equity. Profit or loss resulting from sales to minority shareholders is booked under equity.

## 1.5. Presentation of Unconsolidated Subsidiaries and Associates in Consolidated Financial Statements

Subsidiaries, which are not included in the scope of consolidation, are accounted for their fair values, while associates are accounted for at their cost values after netting impairment if any, and are reflected in the consolidated financial statements.

## IV. EXPLANATIONS ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS

The Group's derivative transactions include cross currency swaps, interest rate swaps, currency and precious metal swaps, long-term financing transactions, fully or partially covered options and forward foreign currency buy/sell transactions. The Parent Bank has no embedded derivative instruments separated from the articles of association.

Derivative financial instruments of the Group are classified under "TFRS 9 Financial Instruments Standard" ("TFRS 9"), "Derivative Financial Assets Measured at Fair Value Through Profit or Loss".

Derivative financial instruments are initially recognized at fair value. Derivative transactions, depending on the fair value being positive or negative is shown as derivative financial assets at fair value through profit or loss or derivative financial liabilities measured at fair value through profit or loss in the following periods of the recording. Differences in fair value as a result of the valuation are accounted for under profit/loss from derivative financial transactions and profit/loss from foreign exchange transactions in the commercial profit/loss item in the profit or loss statement.

The fair value of derivative instruments is calculated by taking into account the market values or by applying the cash flow model discounted with market rates.

Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts with their contractual values.

## V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE

Interest income and expenses of the group are recognized according to the effective interest method (rate equal to the rate in calculation of present value of future cash flows of financial assets or liabilities).

Interest income from financial assets is recognized as gross carrying amount according to the effective interest rate method except for interest income from purchased or originated credit-impaired financial assets or financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. The Parent Bank has started to calculate rediscount as of 1 January 2018 for its non-performing loans. Rediscount is calculated over the net book value (Gross Book Value - Expected Credit Losses) of the non-performing loans.

If the expectations for the cash flows in the financial asset are revised for reasons other than the credit risk, the amendment is reflected in the carrying amount of the asset and in the related profit or loss statement line and is amortized over the estimated life of the financial asset.

Total of minimum rental payments including interests and principals are recorded under "financial lease receivables" as gross. The interest which is the difference between the total of rental payments and the cost of the related tangible asset is recorded under "unearned income". When the rent payment incurs, the rent amount is deducted from "financial lease receivables"; and the interest portion is recorded as interest income in the profit or loss statement.

Profit share income is accounted for by applying the internal rate of return method. Group calculates expense accrual according to the unit value calculation method over the participation accounts.

## VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSE

Income and expenses from banking, agency and intermediary services are recognized as income/expense and conformant with TFRS 15 Revenue from Contracts with Customers on the date they are collected.

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Prepaid expense amounts are recognized as expense on an accrual basis during the service period.

Commission income from individual, corporate and commercial loans are transferred to income accounts according to periodicity principle using effective interest rate method on an accrual basis.

## VII. EXPLANATIONS ON FINANCIAL ASSETS

Financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part 3 Recognition and Derecognition. Financial assets are measured at fair value at initial recognition in the financial statements. They are included in the balance sheet of the Group, if the Group is a legal party to these instruments.

The Group classifies and recognizes its financial assets as “Financial Assets Measured at Fair Value Through Profit/Loss”, “Financial Assets Measured at Fair Value Through Other Comprehensive Income” or “Financial Assets Measured at Amortised Cost”. This classification is based on the contractual cash flow characteristics of the related business model used for management of the financial assets at initial recognition.

Financial assets mainly constitute the Group’s commercial activities and operations. These instruments have the ability to expose, affect, and diminish the liquidity, credit and interest rate risks in the financial statements.

Classification and Measurement within the Scope of TFRS 9

In accordance with TFRS 9 Financial Instruments Standard, financial assets are measured at amortized cost, fair value through other comprehensive income and fair value through profit or loss.

“Business Model Assessment” and “Contractual Cash Properties Test” are performed to determine the classification of financial assets.

### Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss;

- managed by a business model other than the business model aimed at holding contractual cash flows for collection and the business model aiming at collecting and selling contractual cash flows,
- are obtained in order to profit from fluctuations in prices and similar factors in the short-term in the market, or are part of a portfolio aimed at making a profit in the short-term, regardless of the reason for the acquisition,
- the terms of the contract for the financial asset do not result in cash flows that only include principal and interest payments on the principal balance at specified dates. are financial assets.

Financial assets at the fair value through profit or loss are initially recognized at fair value. All gains and losses arising from these valuations are reflected in the profit or loss statement. Earned interests are included in interest income and dividends received are included in dividend income.

Among the financial assets at fair value through profit or loss, Government Bonds and Treasury Bills traded in the BIST, the weighted average clearing prices formed in the BIST on the balance sheet date, and the financial assets not traded in the BIST, with the prices of the Central Bank of the Republic of Türkiye, Eurobonds Bench The transaction prices in the Upmarket and the funds in the Bank’s portfolio are valued according to the fund price announced for the relevant day. Gains and losses resulting from the valuation are included in the profit/loss accounts.

### Financial Assets at Fair Value Through Other Comprehensive Income

Financial assets are classified as financial assets at fair value through other comprehensive income where the business models aim to hold financial assets in order to collect the contractual cash flows and selling assets and the terms of financial asset give rise to cash flows that are solely payments of principal of interest at certain dates.

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Financial assets at fair value through other comprehensive income are subsequently measured at their fair value. The interest income of financial assets at fair value through other comprehensive income that are calculated by effective interest rate method and dividend income from equity instruments are reflected in the statement of profit or loss. "Unrealized profits and losses", the difference between the fair value of debt instruments at fair value through other comprehensive income and their amortized cost, are not reflected in the statement of profit or loss for the period until the corresponding financial asset is collected, sold, disposed of or weakened and is followed in the "Other Comprehensive Income or Expenses to be Reclassified in Profit or Loss" account under equity. Accumulated fair value differences under equity are reflected to the income statement when such securities are collected or disposed.

Securities representing a share in the capital are recognized at fair value if they are traded in organized markets and/or their fair value can be determined reliably, and if they are not traded in organized markets, they are reflected in the financial statements with their values found using other valuation models. The valuation differences of the said securities are followed in the "Other Accumulated Comprehensive Income or Expenses Not to be Reclassified in Profit or Loss" account under equity.

## Financial Assets at Measured at Amortized Cost

A financial asset is classified as a financial asset measured at amortized cost when the Parent Bank's policy within a business model is to hold the asset to collect contractual cash flows and the terms give rise to cash flows that are solely payments of principal of interest at certain dates.

Measured at amortized cost is recognized at cost which represents its fair value at initial recognition by adding the transaction costs and subsequently measured at amortized cost by using the effective interest rate method. Interest income related to the financial asset measured at amortized cost is recognized in the statement of profit or loss.

Financial assets measured at fair value through other comprehensive income and measured at amortized cost portfolios of the Group include Consumer Price Index (CPI) indexed bonds. Mentioned securities are valued and accounted according to the effective interest rate method which is calculated according to the real coupon rate and the reference inflation index on the issue date. The actual coupon payment amounts of these securities, purchase and sale transactions and year-end valuations are calculated by using the index announced by the treasury. Index calculations related to CPI indexed bonds are made by the method specified in Ministry of Treasury and Finance's CPI Indexed Bonds Investor Guide.

## Loans

Loans consist of financial assets which are created by providing money, goods or services to the debtor. Loans are initially recognized at acquisition cost presenting their fair value and thereafter measured at amortized cost using the "Effective Interest Rate Method".

Cash loans are accounted with their original balances in the accounts specified in Uniform Chart of Accounts and Prospectus according to their type, maturity, and collateral structures. Foreign exchange loans are recognized with fixed price and revalued by the counter foreign exchange buying rate of the Bank.

The Group sets aside the expected loss provision for its loans and receivables by taking into consideration the "Regulation on the Classification of Loans and the Procedures and Principles Regarding the Provisions to be Set Aside" published in the Official Gazette dated 22 June 2016 and numbered 29750. In this context, the Parent Bank takes into consideration the general structure of the loan portfolio, the financial structure of the customers, the non-financial data, and the economic conjuncture in line with the credit risk policies and prudence principle when determining its estimates.

In calculating the expected loss provision for its loans, the Bank has also taken into account the possible difficulties that the uncertainties related to the earthquake disaster experienced on 6 February 2023 may cause in the cash flows or payments of the customers.



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## VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS

### Explanations on Expected Loss Provisions

The main principle of the expected credit loss model is to reflect the general outlook of deterioration or improvement in the credit quality of financial instruments. The amount of expected credit losses known as loss provision or provision varies according to the degree of increase in credit risk. There are two measurements according to the general approach:

- 12 - Month Expected Loss Provision (Stage 1) applies to all assets unless there is a significant deterioration in credit quality.
- Lifetime Expected Loss Provision (Stage 2 and Stage 3) is applied when there is a significant increase in credit risk.

In addition, the Bank made provision on the model outputs for customer groups, which it believed that the model did not statistically respond to credit risk factors, using expert opinion. In accordance with TFRS 9, in the expected credit loss calculation, a certain part of commercial and corporate loans are obtained in accordance with internal policies, taking into account the threshold amounts determined for risk according to the bank’s current classification policy and segment structure. The calculation is made by discounting the cash flows expected from the customer or collateral sales to their present value with the effective interest rate. The reserve will be reviewed in the following reporting periods, taking into account the loan portfolio and changes in future expectations.

### Impairment

The expected credit loss model includes instruments that are recorded at amortized cost or at fair value in other comprehensive income tables (such as bank deposits, loans, and securities) and, in addition, financial lease receivables, credit commitments and financial guarantee contracts.

The guiding principle of the expected credit loss model is to reflect the increase in credit risk of financial instruments or the general view of the recovery. The amount of allowance for the loss depends on the extent of the increase in credit risk since the initial issuance of the loan.

Expected credit loss is an estimate of the expected credit losses over the life of a financial instrument and the following aspects are important for the measurement:

- Probability-weighted and neutral amount determined by taking into account possible outcomes,
- Time value of the money,
- Reasonable and supportable information on past events, current conditions and forecast of future economic conditions, at the time of reporting.

These financial assets are divided into three categories depending on the gradual increase in credit risk observed since their initial recognition:

#### **12 Month Expected Credit Losses (Stage 1)**

These are the financial assets that do not have a significant increase in credit risk at the time of recognition or since initial recognition. For such assets, impairment for credit risk is recorded in the amount of 12-month expected credit losses. It is valid for all assets unless there is a significant deterioration in the credit quality.

The expected 12-month loss values (within 12 months after the reporting date or within a shorter period if the life of a financial instrument is shorter than 12 months) are part of the estimation of lifetime loss expectancy.

#### **Provision for Lifetime Expected loss (Stage 2)**

While the expected loss provision is calculated for 1 year for loans in the 1st stage, it is calculated by taking into account the entire remaining maturity for loans in the 2nd stage.

The basic criteria for the classification of financial assets in the second stage are as follows;

- Receivables with a delay of 30 days or more
- Restructuring of the loan
- Close monitoring criteria in the Bank’s Early Warning System
- Early warning note
- Significant increase in credit risk

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In identifying customers with a significant increase in credit risk, the probability of default at the time of loan allocation/disbursement and the change in the probability of default produced by behavioural models as of the reporting date are taken into account. Customers whose changes exceed the determined threshold value are classified under the second group. Corporate loans are processed on a customer basis, while individual loans are processed on a product basis.

## **Credit-Impaired Losses (Stage 3)**

Includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized.

The Group considers the debt to be in default in the following two cases:

- Objective Default Definition: It means debt having past due more than 90 days. This assumption can be proved otherwise in the light of supportable information.

- Subjective Default Definition: It means it is considered as unlikelihood to pay. Whenever it is considered that an obligor is unlikely to pay its credit obligations, it should be considered as defaulted regardless of the existence of any past-due amount or of the number of days past due.

Collective assessment of financial instruments is based on homogeneous group assets referring to portfolio segmentation including similar credit risk and product characteristics. This section provides an overview of the risk parameter estimation methods for the expected loss calculation approach on a common basis for each stage.

Credits that differ in cash flows or have different characteristics with other credits may be subject to individual valuation instead of aggregate valuation. A credit loss can be defined as the difference between all contractual cash flows that are outstanding under the contract and the original expected Effective Interest Rate value and discounted cash flows.

When cash flows are estimated, the following situations are considered:

- All contractual terms of the financial instrument during the expected life,
- Cash flows expected to be obtained from collateral sales.

In the calculation of the expected credit loss, the basic parameters which are expressed as probability of default, loss in default and default amount are used.

## **Probability of Default (PD)**

Probability of default refers to the likelihood that a loan will default at a certain time. In default probability models, sectorial information for the corporate portfolio and product information for the individual portfolio are taken as the basis.

## **Exposure at Default (EAD)**

The EAD represents an estimate of the exposure to credit risk at the time of a potential default occurring during the life of a financial instrument.

## **Loss Given Default (LGD)**

Loss given default refers to the ratio of the economic net loss resulting from the default of a loan to the default amount. In other words, it refers to the ratio of net loss due to a defaulted loan to the balance at the time of default.

## **Future Expectations**

The effect of future expectations is included in the credit risk parameters used in the calculation of expected credit losses by using scenarios related to macroeconomic factors. The Parent Bank uses the macroeconomic forecasting model developed during the creation of multiple scenarios to be used in expected credit loss calculations. The macroeconomic variables that stand out during the estimation are the Gross Domestic Product (GDP) and the Consumer Price Index (CPI), and the risk parameters are updated if deemed necessary, taking into account the compatibility with the portfolio. In addition to macroeconomic indicators, the Parent Bank preferred the precautionary approach by adding expert opinion while creating macroeconomic models, taking into account the economic conditions, and the numerical effects of these risks were also included in the models.

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## The Methodology of Behavioural Maturity Calculation

The loans in Stage 1, expected loss provision is calculated until their maturity for the ones which have less than one year to due date and for 1 year which have more than one year to due date. The loans in Stage 2, expected loss provision is calculated for lifetime (until maturity date) of the loan. In this calculation, the remaining maturity information of the loan is taken as basis for each loan. While this information is used for products with real maturity information, behavioural maturity is calculated by analyzing historical data for products with no maturity information. Expected loss provisions are calculated based on these maturities depending on the type of loan.

## Write-off Policy

The amendment with respect to the regulation “Regulation on the Amendment of the Regulation on the Classification of Loans and the Procedures and Principles Regarding the Classification of Loans and Provisions for These” entered into force with its publication in the Official Gazette No.31533 on

6 July 2021. Pursuant to the regulation, the banks are enabled to write down and move off the balance sheet the portion of a loan which is classified as “Group V Loan” (Loans Classified as Loss) within the period deemed appropriate by the bank specific to the situation of the debtor, if it cannot reasonably be expected to be recovered. Since the reporting period, it can be written-off from the records under TFRS 9. The write-off is an accounting policy and does not result in the waiver of the right to receivable.

## IX. EXPLANATIONS ON OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet when the Group has legally enforceable rights to offset the recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

## X. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS

Securities sold under agreements for repurchase agreements (“Repos”) are classified as “Fair Value Through Profit or Loss”, “Fair Value Through Other Comprehensive Income” and “Financial Asset Measured at Amortized Cost” in the portfolio of the bank, according to the purposes of the Group, and they are subject to valuation according to the portfolio which are belong. Funds obtained in return for repo agreements are accounted in “Money Markets Receivables” account and interest expense accruals for the period are calculated with the effective interest rate method.

Securities purchased with resale commitment (“Reverse Repo”) are accounted in “Money Markets Receivables” on the balance sheet and interest income accruals for the period are calculated with the effective interest rate method.

## XI. INFORMATION ON NON-CURRENT ASSETS OR DISPOSAL GROUPS “HELD FOR SALE” AND RELATED TO DISCONTINUED OPERATIONS AND EXPLANATIONS ON LIABILITIES RELATED WITH THESE ASSETS

The assets acquired by the Group due to its receivables are accounted for in accordance with “TFRS 5 Turkish Financial Reporting Standard for Non-current Assets Held for Sale and Discontinued Operations” in financial statement of the Group.

The assets that meet the criteria of being classified under assets held for sale are measured at the lower of their book values or fair value less costs to be incurred for sale, and depreciation for these assets is ceased and these assets are presented separately in the balance sheet. In order for an asset to be classified as an asset held for sale, the related asset (or the asset group to be disposed) shall be ready to be sold immediately under usual conditions and should have a high possibility to be sold. In order to have a high probability of sales, a plan for the sale of the asset (or group of assets to be disposed of) must have been prepared by an appropriate management team and an active program has been initiated to identify buyers and complete the plan. Various events or circumstances may extend the completion time of the sale transaction beyond one year. Assets are continued to be classified as held for sale if there is sufficient evidence that the delay is due to events or conditions beyond the Parent Bank’s control and that the Bank’s plan to sell the related asset (or disposal group) is in progress.

The properties acquired by the Group due to receivables are shown in the line of held for sale purpose in the financial statements depending on the termination of the term sales contract.

A discontinued operation is a division of a business that is classified as disposed or held for sale. The results related to discontinuing operations are presented separately in the profit or loss statement. The Group does not have any discontinued operations.

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## XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS

As of the balance sheet date, there is no goodwill in the financial statements of the Group. (31 December 2022: None).

Other intangible assets are based on their initial acquisition amounts and other direct costs required to make the asset available. Other intangible assets were revalued over their remaining amounts after deducting the accumulated depreciation and, if any, the accumulated depreciation from the cost value in the period following their recording.

Other intangible assets are amortized using the straight-line method based on their useful lives. Useful lives of other intangible assets are determined with assessments such as the expected life of the asset, technical, technological, or other types of aging and the maintenance costs required to obtain the economic benefit expected from the asset. There is no change in the depreciation method applied in the current period. Expenditures for other intangible assets are amortized with equal amounts within the lease period, and if the lease period is not certain or is more than five years, the redemption period is accepted as five years (depreciation rate 20%).

The Group recognizes its software costs incurred under the intangible assets-intangible rights account and the expenses that qualify as development are added to software's initial costs and amortized over 3 years considering the useful lives. The Parent Bank has determined estimated useful lives of the intangible assets between 3 and 15 years and it applies depreciation rates between 33.3% to 6.7%

## XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT

Property and equipment are measured at its cost when initially recognised and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. As of 31 January 2014, the Bank has changed its accounting policies and has decided to pursue the real estates registered in its portfolio at fair values. The valuation differences resulting from the valuations of real estate's made by independent appraisal firms are accounted for in the revaluation differences account of tangible fixed assets under shareholders' equity.

Property and equipment (except for immovables) are presented in the financial statements over their remaining cost after deducting accumulated depreciation from cost amounts, if any, and after deducting accumulated depreciation from their fair values. Property and equipment are depreciated over their estimated useful lives using the straight-line method. The amortization method applied in the current period has not been changed.

Estimated useful lives and amortization rates of property and equipment are below:

	Estimated Useful Lives (Year)	Amortization Rate
Buildings	50	2%
Safe-deposit boxes	50	2%
Other movable properties	3-15	33,33-6,66%
Assets held under leases	10	10%

Gains or losses arising from the disposal of property and equipment are reflected in the profit or loss accounts as the difference between the net disposal revenue of the tangible asset and the net book value.

Ordinary maintenance and repair expenses incurred for tangible assets items are recognized as expenses. Investment expenditures that increase the future benefit by enhancing the capacity of property and equipment are capitalized. The investment expenditures include the cost components which are used either to increase the useful life or the capacity of the asset or the quality of the product or to decrease the costs.

There are no mortgages, pledges or similar precautionary measures on tangible assets or commitments given for the purchase or any restrictions designated for the use of those tangible assets.

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## XIV. EXPLANATIONS ON INVESTMENT PROPERTIES

Investment properties consist of assets held to earn rent and/or value increase. The mentioned real estates owned by the Group are shown in the consolidated financial statements using the fair value method within the framework of TAS 40 “Investment Properties”. Gains and losses arising from a change in the fair value of investment properties are reflected in the profit/loss accounts in the period they occur.

## XV. EXPLANATIONS ON LEASING TRANSACTIONS

### Leases in TFRS 16

The Group measures the operational lease liabilities based on the present value of the lease payments that have not been paid at the date of lease is actually started, in accordance with TFRS 16. Lease payments are discounted by using the Group’s incremental borrowing rate. 2-year government bond indicator interest rates are used for Turkish Lira rentals, and Eurobond indicator interest rates are used for foreign currency leasing transactions for ongoing contracts.

After the lease actually started, the Group; Increases the carrying amount to reflect the interest in the lease obligation, reduce the carrying value to reflect the lease payments made, and re-measure the carrying value to reflect reassessments and changes to the lease, or to reflect fixed lease payments in revised core.

The interest on the lease liability for each period of the lease term, is the amount calculated by charging a fixed periodic interest rate on remaining balance of lease liability.

After the date of lease actually started, the Group remeasures the lease liability to reflect the changes in lease payments. The Group reflects the remeasurement amount of the lease liability, in financial statements as adjustments in right to use assets.

The Group uses a revised discount rate that reflects changes in the interest rate if there is a change in the initial lease period or the use of the purchase option.

The Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate for a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification. The revised discount rate is determined as the alternative borrowing interest rate at the effective date of the modification. The Group decreases carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognized in profit or loss. A corresponding adjustment to the right-of-use asset is made for all other lease modifications.

The Group does not apply the standard provisions for leases shorter than 1 year in line with the exception provisions of the relevant standard. The Group reflects the lease payments associated with these leases linearly throughout the lease period and reflects them in the financial statements.

Subject to financial leasing in the consolidated balance sheet of the entity is shown as a receivable equal to net leasing. The interest income is determined to form a fixed revenue return ratio using net investment method related to lease asset of the lessor, and the portion of interest income which does not take part in the related term is followed under the unearned interest income account.

Tangible assets that are acquired under leasing are amortized with respect to the rates used for directly acquired assets that have similar nature. Assets held under leases are recognized under the tangible assets account and are depreciated on annual and monthly basis with respect to their useful lives. Principal and installment paid for tangible fixed assets that are acquired under leasing are charged to liability account “Lease Liabilities”, whereas interests are recognized in “Deferred Leasing Expenses” account. At installment payments, principal and interest amount of installment amount is debited to “Lease Liabilities” account, whereas interest is credited in “Deferred Leasing Expenses” account and recorded to the “Other Interest Expenses”.

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## XVI. EXPLANATIONS ON PROVISIONS, CONTINGENT ASSET AND LIABILITIES

Provisions other than provisions for impairment set for loans and other receivables and provisory liabilities are accounted in accordance with TAS 37 "Turkish Accounting Standard on Provisions, Contingent Liabilities and Contingent Assets Corresponding".

The Group provides provision in case of an existing liability (legal or implicit) as a result of an incident that took place in the past, there is possibility of disposal of assets that bring economic benefit, and the liability is measurable. When a reliable estimate of the amount of obligation from the Parent Bank cannot be made, it is considered that a "contingent" liability exists, and it is disclosed in the related notes to the financial statements.

For transactions that can affect financial structure, provisions are provided by using the existing data if they are accurate, otherwise by using the estimates.

As of the balance sheet date, there are no probable contingent liabilities resulting from past events whose amount can be reliably measured.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements in which the change occurs.

## XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS

### Employment Termination and Vacation Benefits

The Group recognizes its liabilities of employment terminations and vacation benefits in accordance with TAS 19 "Turkish Accounting Standard about Benefits for Employee" and estimates the net present value of future liabilities arising from employment terminations and vacation benefits and reflects this provision amount in the financial statements.

Under the Turkish legislation as supplemented by union agreements, Employment Termination Benefit payments are made in case of retirement or employment termination or resignation depending on the arise of the legal conditions. According to the related legislation, depending on the status and position of the employee in the Group and social security institution, retirement bonus/pension/severance payments are calculated for the time that the personnel has worked. Employment termination is calculated based on actuarial assumptions. These assumptions based on the calculation are below:

The Parent Bank uses independent actuaries in determining liability and also makes assumptions about issues such as discount rate and inflation. As of 31 December 2023, retirement benefit obligation is TL 5.312.642 (31 December 2022: TL 6.140.669).

	Current Period	Prior Period
Discount Rate	28,00%	10,60%
Inflation	23,67%	10,08%

The Bank recognize its actuarial profit and loss under shareholders' equity in accordance with the revised TAS 19 Turkish Accounting Standard for Employee Benefits, which entered into force as of 1 January 2013. The Bank has reclassified actuarial loss of TL 1.475.432 after deferred tax effect under shareholders' equity in the financials (31 December 2022: TL 2.852.002 loss).

Unused vacation liability is calculated based on number of unused vacation days which is calculated by subtracting used vacation days of all personnel from legally deserved vacation days.

The Parent Bank is not employing its personnel by means of limited-period contracts.

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## Liability of T.C. Ziraat Bankası and T. Halk Bankası Members Pension and Relief Fund

Some of the Parent Bank and Ziraat Katılım Bankası A.Ş. personnel are the members of T.C. Ziraat Bankası and T. Halk Bankası A.Ş. Employees’ Pension Fund (“Fund”) which was established by 20th provisional article of Social Security Law Act numbered 506. In accordance with 23rd provisional clause of the Banking Law numbered 5411; the pension fund established within Social Security Law is expected to be transferred to the Social Security Institution by three years following the declaration of the Banking Law numbered 5411. Procedures and principles of the transfer are determined by the decision of Council of Ministers numbered 2006/11345 dated 30 November 2006. However, the 1st paragraph of the 1st article of the 23rd provisional clause of Banking Law numbered 5411 allowing pension funds to be transferred to Social Security Institution (“SSI”) is annulled following the resolution of Constitutional Court declared in the Official Gazette dated 31 March 2007 numbered 26479 E.2005/139, K.2007/13 and K.2007/33.

With the publication of the reasoning of the decision, the Grand National Assembly of Türkiye (“GNAT”) started to work on new legal arrangements regarding the transfer of the fund members to SSI and the related articles of the “Law Regarding the Changes in Social Insurance and General Health Insurance Law and Other Related Laws and Regulations” No 5754 (“the New Law”) regulating the transfer of the funds were approved by the GNAT on 17 April 2008. The New Law was published in the Official Gazette dated 8 May 2008, numbered 26870, and came into force.

According to the new law bank pension funds participants and salaried members or the rightful owners would be transferred to Social Security Institution and would be subject to its legislation within three years beginning from the date of publication without any required transaction. Three years transfer period would be extended by two years at most with the decision of Council of Ministers. In accordance with the related legislation, as of the transfer date, the cash value of the liabilities will be calculated by considering the income and expenses of the transferred funds by the insurance branches and by using the actuarial interest rate of 9,80%. Moreover, the unfulfilled other social rights and payments existed in the settlement deeds of the subjected pension funds of the transferred participants, members or the rightful owners will be continued to be fulfilled by the employer entities of the funds and its participants.

In accordance with 58th article and 7th provisional article of the Banking Law, restricting banks from transferring any funds to the pension funds in order to compensate the actuarial deficits effective from 1 January 2008, has been delayed up to 5 years.

Based on the Council of Ministers’ decree numbered 2011/1559 and issued in the Official Gazette numbered 27900, dated 9 April 2011, and 20th provisional article of law numbered 506, the deadline for transferring banks, insurance and reinsurance companies, chambers of commerce, chambers of industry, exchange markets and the participants of the funds that were founded for the personnel constituting these entities and the ones having salary or income and the right holders of them to Social Security Institution has been extended for two years.

Besides, the phrase of “two years” in Clause (2), Article 1 of the temporary 20th provision of the law numbered 5510 is revised as “four years” with the law numbered 6283 amending on the Social Insurance and General Health Insurance Law, published in the Official Gazette numbered 28227, dated 8 March 2012.

Based on the Council of Ministers’ decree numbered 2014/6042 and issued in the Official Gazette numbered 28987 dated 30 April 2014, the participants of the funds that were founded for the personnel constituting these entities and the ones having salary or income and the right holders of them to Social Security Institution has been extended for one year.

Lastly, 51st article of Law No.6645 dated 23 April 2015, published on Official Gazette and the first paragraph of the transient 20th article of Law No.5510 related to the transfer of Bank and Insurance Funds to Social Security Institution; “Council of Ministers is the authority to determine the date of transfer of banks, insurance and reinsurance companies, boards of trade, chambers of industry and stock markets or the participants of funds established for their constitute union personnel and the ones that were endowed salary or income and their beneficiaries within the scope of transient 20th article of Law No.506. As from the transfer date, the participants are considered as insured within the scope of clause (a), first paragraph and 4th article of this Law. Based on the decision of the Council of Ministers dated 24 February 2014; May 2015 was determined as the transfer period. As a result of the last amendment made in the first paragraph of the provisional article 20 of the Law No. 5510 and the Occupational Health and Safety Law No. 6645 published in the Official Gazette dated 23 April 2015 and numbered 29335; The Council of Ministers has been authorized to determine the transfer date and the President has been authorized to determine the transfer date in the repeated Official Gazette numbered 30473 on 9 July 2018.

The technical balance sheet report as of 31 December 2023 which is prepared in accordance with the new law and the rate determined as 9,80%, concluded no technical deficit arises in the above-mentioned fund. Since the Parent Bank has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Parent Bank’s financial statements.

GRI 201-3, 402-1

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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## XVIII. EXPLANATIONS ON TAXATION

### Current Tax

The corporate tax rate of 20% was designated in Corporate Tax Law No. 5520 which was taken into effect on 1 January 2006 after being published in the Official Gazette dated 21 June 2006 numbered 26205 for corporate earnings.

However;

Pursuant to Article 25 of Law No. 7394 published in the Official Gazette dated 15 April 2022 and numbered 31810; Corporate tax rate has been determined as 25% for banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies is determined as 25%, and this rate will be effective as of 1 July 2022. It came into force to start with the declarations that must be submitted and to be applied to corporate earnings for accounting periods starting from 1 January 2022.

In accordance with Article 21 of the Law No. 7456 published in the Official Gazette dated 15 July 2023 and numbered 32249, starting from the declarations that must be submitted as of 1/10/2023; The corporate tax rate to be applied to the earnings of corporations in 2023 and the following taxation periods has been increased from 25% to 30% for banks and other institutions mentioned in the law. As of 31 December 2023, the corporate tax rate has been applied as 30% in the financial statements.

The corporate tax rate is applied to the tax base to be found as a result of the addition of the non-deductible expenses in accordance with the tax laws to the commercial income of the corporations and deducting the exceptions (such as the participation earnings exemption) and deductions in the tax laws. No further tax is paid if the profit is not distributed.

Dividends paid to non-resident corporations, which have a place of business or permanent attorney in Türkiye or to resident corporations are not subject to withholding tax. While dividends paid to individuals and corporations were subject to withholding tax at the rate of 15%, this rate has been changed to 10% with the Presidential Decision published in the Official Gazette dated 22 December 2021 and No. 31697. An increase in capital via issuing bonus shares is not considered as profit distribution and no withholding tax incurs in such a case.

Corporations calculate advance tax quarterly on their financial profits at the corporate tax rate valid for that year and declare and pay until the 17th day of the second month following that period. Advance tax paid by corporations for the current period is offset against the annual corporation tax calculated on the annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be used to offset any other financial liabilities to the government.

According to 5.1.e. article of Corporation Tax Law which is important tax exemption that is applied by banks, corporations' 50% of revenues that occur from selling of their real estates, are in assets, that belong to the corporations at least two years (730 days), 75% of revenues that occur from selling their founding bonds that are belong to the corporations as long as time of participation stocks, redeemed shares and option to call are exempted from corporation tax. On the other hand, the exemption application for real estates held in the Bank's assets for at least two years was abolished with the 19th article of the Law No. 7456 published in the Official Gazette dated 15 July 2023 and numbered 32249, and in the 22nd article of the law "... The 50% rate in subparagraph (e) of the first paragraph of Article 5 is applied as 25% for the immovable sales earnings to be made after the effective date of this article." and it has been announced that the exception rate will be 50% for sales made before 15 July 2023 and 25% for sales made after.

This exemption applies to the period the sale is made and the part of return on sales that benefits from the exemption is held in a special fund in the liabilities account until the end of the fifth year started from the following year sale is made. However, the sales payment must be collected until the end of the second calendar year following the year in which the sale is made. Taxes which are not realized in time due to the exemption that hits uncollected sales payment are considered tax loss.

Taxes which do not accrue on time because the applying exemption for the transfer of the exempted part of revenue to the other accounts with other ways out of capitalizing in five years or withdrawn from company or transferring from limited taxpayer corporations to the headquarters, are considered as tax loss. This is also be applicable in the condition of liquidation of business (Except transfers and divisions that make according to this code).



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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Moreover, according to 5.1.f. article of Corporation Tax Law; corporations which have been fallen to legal proceedings because of owe to the bank or Savings Deposit Insurance Funds, and their warranters’ real estates, participation stocks, founding bonds, redeemed shares, options to call of mortgagors’ revenues that used for against debts or transferring to SDIF, 50% of the profits arising from the sale of the said assets obtained by the banks in this way, and 75% of the profits arising from the sale of others are exempted from corporation tax.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Losses cannot be carried back to offset profits from previous periods.

Tax returns are required to be filled and delivered to the related tax office until the end of the fourth month following the balance sheet date and the accrued tax is paid until the end of the same month. Tax returns are open for 5 years from the beginning of the year following the balance sheet date and during this period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based and may issue re-assessments based on their findings. As of the end of the 2021 calendar year, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298/A of the Tax Procedure Law. However, with the Law No. 7352 on the Amendment of the Tax Procedure Law and the Corporate Tax Law, published in the Official Gazette dated 29 January 2022 and numbered 31734, the temporary article 33 was added to the Tax Procedure Law No. 213, including the provisional tax periods. Financial statements will not be subject to inflation adjustment for the 2021 and 2022 accounting periods (for those designated as a special accounting period, as of the accounting periods ending in 2022 and 2023) and the provisional tax periods for the 2023 accounting period, regardless of whether the conditions for the repetitive inflation adjustment within the scope of Article 298 are met. It has been enacted that the financial statements dated 31 December 2023 will be subject to inflation adjustment regardless of whether the conditions for the inflation adjustment are met, and the profit/loss differences arising from the inflation adjustment to be made will be shown in the previous years’ profit/loss account. According to the 17th article of the Law No. 7491 on Amendments to Certain Laws and Decree Laws published in the Official Gazette No. 32413 dated 28 December 2023, banks are companies within the scope of the

Financial Leasing, Factoring, Financing and Savings Finance Companies Law No. 6361 dated 21 November 2012. Profit/loss differences arising from the inflation adjustment to be made by payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies in the 2024 and 2025 accounting periods, including the provisional tax periods. It is regulated that the resulting profits or losses will not be taken into account in determining the corporate tax base. The President is authorized to extend the periods determined within the scope of this paragraph by one accounting period, including provisional tax periods.

With the Communiqué on Amendments to the Tax Procedure Law General Communiqué numbered 547 (sequence number 537), published in the Official Gazette numbered 32073 dated 14 January 2023, the procedures and principles of the articles of law allowing the revaluation of immovable properties and depreciable economic assets have been rearranged. Accordingly, the Parent Bank has revalued the real estate and depreciable economic assets in its balance sheet until 30 September 2023, provided that the conditions stipulated in the Provisional Article 32 of the Tax Procedure Law and the Duplicate Article 298/ç are met. Since the financial statements were subject to inflation adjustment as of 31 December 2023, real estate and depreciable economic assets were not revalued as of 31 December 2023. Corporate tax is calculated by taking into account the depreciation allocated on the revalued values of real estate and depreciable economic assets until 30 September 2023.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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Tax rates used in tax calculation considering the related countries' tax legislation as of 31 December 2023 are presented below:

Russia	20%
Kazakhstan	20%
Germany	15%
Bosnia Herzegovina	10%
Azerbaijan	20%
Montenegro	15%
Georgia	15%
Uzbekistan	20%

## Deferred Tax

The Parent Bank calculates deferred tax for the temporary differences between the applied accounting policies and valuation principles and the tax base value determined in accordance with the tax legislation, in accordance with TAS 12 "Income Taxes Standard", taking into account the additional regulation introduced with the Law No. 7316 dated 22 April 2021 and accounting.

With the Law No. 7394 on the Evaluation of Immovable Property Owned by the Treasury and Amending the Value Added Tax Law, which was published in the Official Gazette dated April 15, 2022 and numbered 31810, and the Law on Amendments to Some Laws and Decree-Laws, with Article 26 of the Law No. 5520 With the paragraph added to the temporary article 13 of the Corporate Tax Law, the Corporate Tax rate was rearranged for the corporate earnings of the 2022 taxation period and it was stated that the tax rate would be applied as 25% for the banks. In accordance with Article 21 of Law No. 7456 published in the Official Gazette No. 32249 dated 15 July 2023, starting from the declarations that must be submitted as of October 1, 2023; The corporate tax rate to be applied to the profits of corporations in 2023 and the following taxation periods has been increased from 25% to 30% for banks and other institutions mentioned in the law.

Deferred tax liability or assets are determined by calculating the tax effects of the temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the calculation of the legal tax base, according to the balance sheet method, taking into account the enacted tax rates. In the calculation of deferred tax, the Bank estimates the time when temporary differences will be taxable/deductible and uses enacted tax rates as of the balance sheet date in accordance with the current tax legislation. As the deferred tax assets or liabilities within the scope of TAS 12 are calculated based on the tax rates (and tax laws) that are in effect or nearly effective as of the end of the reporting period (balance sheet date), using the tax rates expected to be applied in the periods when the assets are converted into income or the liabilities are paid, As of 31 December 2023, deferred tax calculations were made based on rates varying 30% on assets and liabilities. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by generating taxable profit in the future. Except for goodwill or business combinations, deferred tax liability or asset is not calculated for temporary timing differences arising from the initial recognition of assets or liabilities and which do not affect both commercial and financial profit or loss.

According to the temporary article 33 of the Tax Procedure Law, in the financial statements dated 31 December 2023, the tax effects arising from the inflation adjustment of corporate taxes are included in the deferred tax calculation as of 31 December 2023.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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## XIX. EXPLANATIONS ON BORROWINGS

The Group recognizes its debt instruments in accordance with TFRS 9 “Financial Instruments” and all financial liabilities are carried at amortized cost by using effective interest rate method. The Group has no borrowings that require hedging techniques for accounting and revaluation of debt instruments and liabilities representing the borrowings.

If required, the Group borrows from domestic and foreign real people and entities with debt instruments such as bill/bond issuance. These transactions are recognized at fair value including acquisition costs at the transaction date while accounted with effective interest rate method over their discounted costs in the following periods.

The Group has issued no convertible bonds to shares and has no instruments representing its own borrowings.

## XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES

There are no issued shares by the Group.

## XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES

Commitments regarding bill guarantees and acceptances of the Group are presented in the “Off-Balance Sheet” commitments.

## XXII. EXPLANATIONS ON GOVERNMENT GRANTS

There are no government incentives utilized by the Group as of the balance sheet date.

## XXIII. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are cash on hand, demand deposits and other highly liquid short-term investments with maturities of 3 months or less following the date of acquisition, which is readily convertible to a known amount of cash and does not bear the risk of significant amount of value change. The book values of these assets represent their fair values. FC cash equivalents and balances regarding banks are valued by the period end counter foreign currency buying rate of the Bank.

For the purposes of the cash flow statement, “Cash” includes cash, effectives, cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and “Cash equivalents” include interbank money market placements and time deposits at banks with original maturity periods of less than three months.

## XXIV. EXPLANATIONS ON SEGMENT REPORTING

Information about operating segments which are determined in line with TFRS 8 “Turkish Accounting Standard Operating Segments” together with organizational and internal reporting structure of the Group, are disclosed in Note X of Section Four.

## XXV. EXPLANATIONS ON OTHER MATTERS

None.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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## SECTION FOUR

### EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT

#### I. EXPLANATIONS ON THE COMPONENTS OF CONSOLIDATED SHAREHOLDERS' EQUITY

Shareholders "equity and capital adequacy ratio were calculated within the framework of "Regulation on Banks" Equity" and "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" and in addition to these, the following regulations of the BRSA.

- In accordance with the Decision of the Banking Regulation and Supervision Agency dated 31 January 2023 and numbered 10496, the Central Bank's foreign exchange buying rate of 31 December 2022 was used while calculating the valued amounts in foreign currency in calculating the amount subject to credit risk.
- Within the framework of the regulation dated 21 December 2021 No. 9996, if the net valuation differences of the securities held by banks in the portfolio of "Financial Assets at Fair Value through Other Comprehensive Income" are negative, these differences may not be taken into consideration in the calculation of equity amount.

As of 31 December 2023, the Parent Bank's total regulatory capital has been calculated as TL 426.846.562 (31 December 2022: TL 255.818.605), capital adequacy ratio is 16,79% (31 December 2022: 15,78%). This ratio is well above the minimum ratio required by the legislation.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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## 1. Information Related to The Components of Shareholders' Equity

	Current Period 31 December 2023	Prior Period 31 December 2022
<b>COMMON EQUITY TIER 1 CAPITAL</b>		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	84.600.000	34.900.000
Share issue premiums	-	-
Reserves	120.658.996	74.732.663
Gains recognized in equity as per TAS	60.986.317	72.993.953
Profit	101.536.877	47.416.520
Current Period Profit	99.344.307	46.462.121
Prior Period Profit	2.192.570	954.399
Shares acquired free of charge from associates, subsidiaries and entities under common control and cannot be recognized within profit for the period	1.127.113	279.341
Minority Interest	823	1.986
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>368.910.126</b>	<b>230.324.463</b>
<b>Deductions from Common Equity Tier 1 Capital</b>		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	12.807.126	19.920.751
Improvement costs for operating leasing	992.825	154.357
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	4.757.497	2.766.382
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-

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	Current Period 31 December 2023	Prior Period 31 December 2022
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be Defined by the BRSA (-)	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
<b>Total Deductions from Common Equity Tier I Capital</b>	<b>18.557.448</b>	<b>22.841.490</b>
<b>Total Common Equity Tier I Capital</b>	<b>350.352.678</b>	<b>207.482.973</b>
<b>ADDITIONAL TIER I CAPITAL</b>		
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	48.758.145	30.236.921
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Third parties' share in the Additional Tier I capital - -	-	-
Third parties' share in the Additional Tier I capital (Covered by Temporary Article 3)	-	-
<b>Additional Tier I Capital before Deductions</b>	<b>48.758.145</b>	<b>30.236.921</b>
<b>Deductions from Additional Tier I Capital</b>		
Direct and Indirect Investments of the Bank on its own Additional Tier I Capital (-)	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other Items to be defined by the BRSA (-)	-	-
<b>Transition from the Core Capital to Continue to deduce Components</b>		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
<b>Total Deductions from Additional Tier I Capital</b>	<b>-</b>	<b>-</b>
<b>Total Additional Tier I Capital</b>	<b>48.758.145</b>	<b>30.236.921</b>
<b>Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)</b>	<b>399.110.823</b>	<b>237.719.894</b>
<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Third parties' share in the secondary capital	-	-
Third parties' share in the secondary capital (Covered by Temporary Article 3)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	27.811.243	18.123.366
<b>Tier II Capital Before Deductions</b>	<b>27.811.243</b>	<b>18.123.366</b>
<b>Deductions from Tier II Capital</b>		
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank(-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
<b>Total Deductions from Tier II Capital</b>	<b>-</b>	<b>-</b>
<b>Total Tier II Capital</b>	<b>27.811.243</b>	<b>18.123.366</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>426.922.066</b>	<b>255.843.260</b>

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

	Current Period 31 December 2023	Prior Period 31 December 2022
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>426.922.066</b>	<b>255.843.260</b>
Deductions from Capital Loans granted contrary to the 50th and 51st Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA	75.504	24.655
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
<b>CAPITAL</b>		
Total Capital (Total of Tier I Capital and Tier II Capital)	426.846.562	255.818.605
Total Risk Weighted Assets	2.542.020.315	1.621.034.385
<b>CAPITAL ADEQUACY RATIOS</b>		
Consolidated CET 1 Capital Ratio (%)	13,78	12,80
Consolidated Tier I Capital Ratio (%)	15,70	14,67
Consolidated Capital Adequacy Ratio (%)	16,79	15,78
<b>BUFFERS</b>		
Total additional core capital requirement ratio (a+b+c)	4,578	4,56
a) Capital conservation buffer requirement (%)	2,50	2,50
b) Bank specific countercyclical buffer requirement (%)	0,078	0,06
c) Higher bank buffer requirement ratio (%)	2	2
Additional CET 1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation	9,28	8,30
<b>Amounts Lower than Excesses as per Deduction Rules</b>		
Remaining Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	431.023	307.624
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Consolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	210.486	135.876
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	33.467.558	5.928.087
<b>Limits for Provisions Used in Tier II Capital Calculation</b>		
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty five per the thousand)	60.569.964	46.570.632
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	27.811.243	18.123.366
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets	-	-
<b>Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)</b>		
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-

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## 2. Items Included in Capital Calculation

<b>Information about instruments included in total capital calculation-Current Period</b>	
Issuer	T.C Ziraat Bankası A.Ş.
Identifier (CUSIP, ISIN etc.)	XS1984644739
Governing law (s) of the instrument	Subject to English Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Communiqué VII-128.8 on Debt Instruments of the Capital Markets Board and the Regulation on Bank Capital of the BRSA.
<b>Regulatory treatment</b>	
Subject to 10% deduction as of 1/1/2015	No.
Eligible on unconsolidated and/or consolidated basis	Eligible on unconsolidated and consolidated
Instrument type	Additional Capital Bond Issuance (Tier 1 Capital)
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	45.076
Nominal value of instrument (TL million)	45.076
Accounting classification of the instrument	347001-Subordinated Debts
Original date of issuance	24 April 2019
Maturity structure of the instrument (perpetual/dated)	Perpetual
Issue date of the instrument	24 April 2019
Issuer call subject to prior supervisory (BRSA) approval	Yes
Call option dates, conditioned call dates and call amount	Subject to the approval of the BRSA, a repayment option is available at the end of each 5-year period from the date of issue.
Subsequent call dates, if applicable	24 April 2024
<b>Interest/dividend payment</b>	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	First 5 years fixed 5,076%, next 5 years MS + 5,031% fixed
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	Fully discretionary
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
<b>Convertible into equity shares</b>	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
<b>Write-down feature</b>	
If bonds can be written-down, write-down trigger(s)	Yes. Article 7 of the Regulation on Bank Capital
If bond can be written-down, full or partial	Has full or partial write down feature
If bond can be written-down, permanent or temporary	Has permanent or temporary write down feature
If temporary write-down, description of write-up mechanism.	Has-write up mechanism
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	After the debt instruments to be included in secondary capital calculation, the depositors and all other creditors
In compliance with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 7 of the Regulation on Bank Capital.
Details of incompliance with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 7 of the Regulation on Bank Capital.



TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

<b>Information about instruments included in total capital calculation-Current Period</b>	
Issuer	Türkiye Wealth Fund.
Identifier (CUSIP, ISIN vb.)	-
Governing law (s) of the instrument	The Regulation on Bank Capital and Communique on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity of the BRSA. 5 October 2013
<b>Regulatory treatment</b>	
Subject to 10% deduction as of 1/1/2015	None
Eligible on consolidated and/or unconsolidated basis	Eligible on consolidated and unconsolidated
Instrument type	Additional Capital Credit (Tier 1 Capital)
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	2.541
Nominal value of instrument (TL million)	3.255
Accounting classification of the instrument	347000-Subordinated Loans
Original date of issuance	24 April 2019
Maturity structure of the instrument (perpetual/dated)	Perpetual
Issue date of the instrument	24 April 2019
Issuer call subject to prior supervisory (BRSA) approval	Yes
Call option dates, conditioned call dates and call amount	Option date is 5 years, (subject to BRSA permission)
Subsequent call dates, if applicable	-
<b>Interest/dividend payment</b>	
Fixed or floating coupon/dividend payments	None
Coupon rate and any related index	None
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	None
<b>Convertible into equity shares</b>	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
<b>Write-down feature</b>	
If bonds can be written-down, write-down trigger(s)	If the Core Capital adequacy ratio or the consolidated Core Capital adequacy ratio falls below 5,125 percent
If bond can be written-down, full or partial	Yes
If bond can be written-down, permanent or temporary	Temporary
If temporary write-down, description of write-up mechanism.	It is possible to write up after temporary write down.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	i. After payments within the scope of Priority Liabilities, ii. Equal (pari passu) among themselves and with all other Co-Liabilities without order of preference, and iii. Prior to all payments under Low-Degree Liabilities.
In compliance with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 7 of the Regulation on Bank Capital.
Details of incompliances with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 7 of the Regulation on Bank Capital

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

<b>Information about instruments included in total capital calculation-Current Period</b>	
Issuer	Türkiye Wealth Fund.
Identifier (CUSIP, ISIN vb.)	-
Governing law (s) of the instrument	The Regulation on Bank Capital and Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity of the BRSA. 5 October 2013
<b>Regulatory treatment</b>	
Subject to 10% deduction as of 1/1/2015	None
Eligible on consolidated and/or unconsolidated basis	Eligible on consolidated and unconsolidated
Instrument type	Additional Capital Credit (Tier 1 Capital)
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	1,141
Nominal value of instrument (TL million)	1,857
Accounting classification of the instrument	347000-Subordinated Loans
Original date of issuance	09 March 2022
Maturity structure of the instrument (perpetual/dated)	Perpetual
Issue date of the instrument	09 March 2022
Issuer call subject to prior supervisory (BRSA) approval	Yes
Call option dates, conditioned call dates and call amount	Option date is 5 years, (subject to BRSA permission)
Subsequent call dates, if applicable	-
<b>Interest/dividend payment</b>	
Fixed or floating coupon/dividend payments	None
Coupon rate and any related index	None
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	None
<b>Convertible into equity shares</b>	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
<b>Write-down feature</b>	
If bonds can be written-down, write-down trigger(s)	If the Core Capital adequacy ratio or the consolidated Core Capital adequacy ratio falls below 5,125 percent
If bond can be written-down, full or partial	Yes
If bond can be written-down, permanent or temporary	Temporary
If temporary write-down, description of write-up mechanism.	It is possible to write up after temporary write down.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	i. After payments within the scope of Priority Liabilities, ii. Equal (pari passu) among themselves and with all other Co-Liabilities without order of preference, and iii. Prior to all payments under Low-Degree Liabilities.
In compliance with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 7 of the Regulation on Bank Capital.
Details of incompliance with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 7 of the Regulation on Bank Capital

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

## 3. Necessary Explanations in order to Reach an Agreement Between the Statement of Shareholder’s Equity and Balance-Sheet Amounts

	Current Period	Prior Period
<b>Balance Sheet - Equity</b>	<b>362.986.091</b>	<b>214.081.750</b>
Operational Leasing Development Costs	(992.825)	(154.357)
Goodwill and Other Intangible Assets and Related Deferred Taxes Liabilities	(4.757.497)	(2.766.382)
TIER 2 Capital (Provisions)	27.811.243	18.123.366
Debt Instruments and the Related Issuance Premiums Defined by the BRSA TIER 2 Capital (Provisions)	48.758.145	30.236.921
Other deductions from common equity	(75.504)	(24.655)
Minority interest	(6.883.091)	(3.678.038)
Other regulations	-	-
<b>Amount recognized in regulatory capital</b>	<b>426.846.562</b>	<b>255.818.605</b>

## II. EXPLANATIONS ON THE CONSOLIDATED CREDIT RISK

### 1. Information on Credit Risk

Credit risk is the possibility of loss that the Group may be exposed due to the partial or complete default of the debtor by not complying to the obligations of the agreement made, or due to the decrease in credit worthiness.

The limits of the credit customers are identified, after combined assessment of various factors like the financial and non-financial information of the credit customers, credit requirements, sectoral and geographical features and, in conformity with the legal legislation, in line with the credit authorization limits of the branches, Group Presidencies, Department Presidencies, Assistant General Management, General Manager, Credit Committee and Board of Directors.

In order to prevent the risk intensity on the Corporate/Commercial loan portfolio, limits are determined and followed on the basis of group companies, private and public firms, and different debtor groups. Similarly, in determining the limits of the agricultural loan portfolio the structures of the regions are considered. The Group’s credit authority limits on given consumer loans are defined with the separation of type and guarantee and these limits are updated according to economic conjuncture and demands of Regional Directorates/Branches.

The limits, subjects, collateral structure, maturities, accounts booked, outstanding balances of the loans allocated by the branches are periodically analyzed depending on the number of customers and monitored on customer and regional basis.

In corporate/commercial loans, companies continue to be monitored after the allocation of the loan, and changes in the financial structures and market relations of loan companies are followed. Credit limits are determined and approved to be valid for one year, and renewals are made provided that there is no negative change in the customer’s situation (financial structure, market, collateral, etc.).

The Parent Bank is assessing credibility of the customer as the essential factor in issuing credits and creditors’ credit worthiness are ascertained during credit application and limit allocation/renewal. Documents to be obtained during the application are evidently mentioned in regulations and appropriateness of the documents obtained during application is controlled by internal audit departments. The Parent Bank considers guarantees as important in minimization and elimination of the risk. As a result of policies and process based on obtaining reliable and robust guarantees, the Parent Bank’s credit risk significantly declines.

On August 2012 the Parent Bank started applying internal ratings processes as a decision support system for analyzing credit worthiness and determining credit allocation for Corporate/Commercial consumer loans.

The Parent Bank makes provision in conformity with the “Communiqué on Methods and Principles for Determining the Nature of Loans and Other Receivables and Allocation of Provisions”.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Identification of limits for domestic and foreign banks are done by rating which is determined by considering the needs of clients and departments together with financial and economic conditions of the banks and their countries. When banks and/or countries are financially or economically risky, identified limits can be restricted with maturity, amount or type of transaction or use of credit is called off.

Since the Parent Bank's abroad lending operations have no significant effect on the financial statements, and operations and transactions are diversified via the use of different financial institutions in various countries, The Parent Bank is not believed to be exposed to a significant credit risk as a result of these operations.

Foreign financial institution and country risks of the Parent Bank are generally taken on financial institutions and countries which are rated by international rating institutions. Treasury operations are executed in the frame of pre-determined authorization and limits, these authorization and limits are monitored. Client transactions within the context of Fund Management are done in the frame of general loan limits determined for the client.

The Parent Bank engages in foreign currency swaps and forward transactions considering its asset-liability balance and legal limits within the framework of the authorities and limits determined by the Board of Directors. These are not considered to generate material risk given the amount of these transactions in the balance sheet.

Non-cash risks of customers classified as non-performing loans in accordance with the Communiqué on "Methods and Principles on Determining the Nature of Loans and Other Receivables and Allocation of Provisions" are subjected to expected loss provision (Stage 3) under the same regulation, when the related risks are reimbursed and transformed into cash receivables, they are followed up in the same risk group as the cash loan which was previously classified as non-performing loans and the expected losses provision (Stage 3) continues to be provided.

Restructured and rescheduled loans are also booked in line with procedures and under accounts defined by the related regulation. Furthermore, they are monitored by the Parent Bank in line with credit risk policies. In this context, financial situation and commercial operations of related customers are analyzed and in terms of restructured plan, whether principal and interest payments have been paid is being checked and necessary measures are taken.

The percentage of top 100 and top 200 cash loans in the total cash loan portfolio is 26% and 31% respectively (31 December 2022: 28% and 34%).

The percentage of top 100 and top 200 non-cash loans in the total non-cash loan portfolio is 47% and 57% respectively (31 December 2022: 46% and 56%).

The percentage of top 100 and top 200 cash and non-cash loans in the total cash and non-cash loan portfolio is 27% and 33% respectively (31 December 2022: 28% and 35%).

TFRS 9 expected loss provisions for the loans for the Stage 1 and Stage 2 are amounted TL 60.144.087. (31 December 2022: TL 46.368.264)

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 2. The Profile of Important Risks of Important Regions

	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organisations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional corporate receivables	Conditional and unconditional retail receivables
<b>Current Period</b>								
Domestic	1.393.286.378	6.939.816	35.047.233	-	-	37.063.576	1.043.275.449	669.866.038
European Union Countries	1.345.853	-	-	-	-	26.834.110	12.900.797	666.225
OECD Countries <sup>(1)</sup>	-	-	-	-	-	147.382.482	2.503.095	91.379
Off-shore Banking Regions	8	-	-	-	-	4.191.069	-	697
USA, Canada	-	-	-	-	-	9.509.720	2.026.701	49.743
Other Countries	10.197.959	1.690	24	-	-	22.722.881	34.804.434	6.049.358
Subsidiaries, Associates and Joint Ventures	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities <sup>(2)</sup>	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1.404.830.198</b>	<b>6.941.506</b>	<b>35.047.257</b>	<b>-</b>	<b>-</b>	<b>247.703.838</b>	<b>1.095.510.476</b>	<b>676.723.440</b>

Prepared with the numbers after conversion rate to credit and before Credit Risk Reduction.

<sup>(1)</sup> OECD Countries other than EU countries, USA and Canada.

<sup>(2)</sup> Assets and liabilities that could not be distributed on a consistent basis

	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organisations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional corporate receivables	Conditional and unconditional retail receivables
<b>Prior Period</b>								
Domestic	767.061.180	727.678	13.023.438	-	-	27.763.097	748.829.337	359.264.273
European Union Countries	808.846	-	-	-	-	26.248.385	11.845.538	416.238
OECD Countries <sup>(1)</sup>	-	-	-	-	-	55.740.210	639.944	38.663
Off-shore Banking Regions	41	-	-	-	-	1.728.423	-	1.935
USA, Canada	-	-	-	-	-	2.687.129	1.005.136	24.951
Other Countries	3.616.421	5.193	27	-	-	6.990.082	18.653.623	3.484.358
Subsidiaries, Associates and Joint Ventures	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities <sup>(2)</sup>	-	-	-	-	-	-	-	-
<b>Total</b>	<b>771.486.488</b>	<b>732.871</b>	<b>13.023.465</b>	<b>-</b>	<b>-</b>	<b>121.157.326</b>	<b>780.973.578</b>	<b>363.230.418</b>

Prepared with the numbers after conversion rate to credit and before Credit Risk Reduction.

<sup>(1)</sup> OECD Countries other than EU countries, USA and Canada.

<sup>(2)</sup> Assets and liabilities that could not be distributed on a consistent basis

Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgages	Securitisation positions	Short-term receivables from banks, brokerage houses and corporates	Investments similar to collective investment funds	Investments in Equity Instruments	Other Receivables	Total
303.136.082	4.792.981	192.241.961	-	-	-	1.135.468	2.361.092	139.187.015	3.828.333.089
442.403	8.896	35.320	-	-	-	-	5.152	68.955	42.307.711
79.628	1.194	3.200	-	-	-	-	-	-	150.060.978
1.599	6	3	-	-	-	-	-	-	4.193.382
59.721	3.195	3.494	-	-	-	-	-	-	11.652.574
727.490	1.068.786	8.908.599	-	-	-	-	78.813	3.736.439	88.296.473
-	-	-	-	-	-	775	1.524.002	770.992	2.295.769
-	-	-	-	-	-	-	-	-	-
<b>304.446.923</b>	<b>5.875.058</b>	<b>201.192.577</b>	-	-	-	<b>1.136.243</b>	<b>3.969.059</b>	<b>143.763.401</b>	<b>4.127.139.976</b>

Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgages	Securitisation positions	Short-term receivables from banks, brokerage houses and corporates	Investments similar to collective investment funds	Investments in Equity Instruments	Other Receivables	Total
238.788.891	3.008.502	98.510.074	-	-	-	1.776.330	837.504	94.342.338	2.353.932.642
328.654	4.092	58.241	-	-	-	-	4.035	167.915	39.881.944
46.822	484	3.669	-	-	-	-	-	-	56.469.792
1.803	5	249	-	-	-	-	-	-	1.732.456
37.669	749	3.069	-	-	-	-	-	-	3.758.703
441.501	3.994	10.661.108	-	-	-	-	30.043	3.402.784	47.289.134
-	-	-	-	-	-	1.117.093	1.892.678	-	3.009.771
-	-	-	-	-	-	-	-	-	-
<b>239.645.340</b>	<b>3.017.826</b>	<b>109.236.410</b>	-	-	-	<b>2.893.423</b>	<b>2.764.260</b>	<b>97.913.037</b>	<b>2.506.074.442</b>

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 3. Risk Profile by Sectors or Counterparties

Current Period Sectors/Counter Parties	Risk Classes								
	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative units and non- commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organizations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from corporate receivables	Conditional and unconditional receivables from retail receivables	Conditional and unconditional receivables secured by mortgages
Agriculture	82	932.565	16.609.230	-	-	-	45.362.151	331.935.671	36.108.945
Farming and Stockbreeding	5	932.565	16.609.230	-	-	-	42.592.645	330.510.275	35.915.033
Forestry	77	-	-	-	-	-	522.788	996.351	99.671
Fishing	-	-	-	-	-	-	2.246.718	429.045	94.241
Manufacturing	135.243	5.011	1.033.082	-	-	-	480.188.023	64.203.234	8.297.473
Mining and Quarrying	-	-	-	-	-	-	22.648.213	936.547	244.457
Production	135.225	36	941.021	-	-	-	376.951.494	62.462.307	7.946.401
Electric, Gas and Water	18	4.975	92.061	-	-	-	80.588.316	804.380	106.615
Construction	-	-	11	-	-	-	122.604.171	17.355.577	6.504.403
Services	621.048.835	27.783	3.384.604	-	-	247.703.838	373.503.209	91.589.349	13.896.389
Wholesale and Retail Trade	-	26	15.868	-	-	-	120.308.481	68.313.816	9.840.561
Hotel Food and Beverage Services	37.972	35	4.302	-	-	-	26.046.748	5.509.378	1.082.002
Transportation and Telecommunication	-	25	2.974.044	-	-	-	106.622.352	7.154.793	1.149.286
Financial Institutions	611.914.289	-	6.380	-	-	244.087.449	24.066.295	240.297	859
Real Estate and Leasing Services	8.874.406	27.696	259.143	-	-	3.616.389	90.467.988	7.976.756	1.465.914
Self Employment Services	-	-	-	-	-	-	-	-	-
Education Services	220.701	-	61.418	-	-	-	1.501.352	838.490	140.908
Health and Social Services	1.467	1	63.449	-	-	-	4.489.993	1.555.819	216.859
Other	783.646.038	5.976.147	14.020.330	-	-	-	73.852.922	171.639.609	239.639.713
<b>Total</b>	<b>1.404.830.198</b>	<b>6.941.506</b>	<b>35.047.257</b>	<b>-</b>	<b>-</b>	<b>247.703.838</b>	<b>1.095.510.476</b>	<b>676.723.440</b>	<b>304.446.923</b>

Prepared with the numbers after conversion rate to credit and before Credit Risk Reduction.

Risk Classes

Past due receivables	Receivables defined in high-risk category by BRSA	Securities collateralized by mortgages	Securitization positions	Short-term from banks, brokerage houses and corporates	Investments similar to collective investment funds	Investments in Equity Instruments	Other Receivables	TL	FC	Total
241.722	10.495.556	-	-	-	-	-	-	437.882.605	3.803.317	441.685.922
239.165	10.444.398	-	-	-	-	-	-	434.914.722	2.328.594	437.243.316
1.666	17.694	-	-	-	-	-	-	1.583.325	54.922	1.638.247
891	33.464	-	-	-	-	-	-	1.384.558	1.419.801	2.804.359
1.319.209	28.756.256	-	-	-	-	-	-	326.575.784	257.361.747	583.937.531
1.857	2.362.937	-	-	-	-	-	-	9.202.677	16.991.334	26.194.011
985.419	22.959.720	-	-	-	-	-	-	284.412.578	187.969.045	472.381.623
331.933	3.433.599	-	-	-	-	-	-	32.960.529	52.401.368	85.361.897
677.169	10.739.980	-	-	-	252.272	-	-	80.822.737	77.310.846	158.133.583
1.402.733	28.423.022	-	-	-	883.407	3.969.059	98.815.206	747.368.996	737.278.438	1.484.647.434
505.793	16.568.090	-	-	-	-	-	305	175.220.204	40.332.736	215.552.940
195.591	933.876	-	-	-	-	-	-	16.446.694	17.363.210	33.809.904
37.413	1.005.324	-	-	-	-	-	-	18.728.094	100.215.143	118.943.237
5	4.703.514	-	-	-	683.236	3.969.059	98.814.901	476.645.732	511.840.552	988.486.284
489.499	4.272.684	-	-	-	200.171	-	-	51.630.495	66.020.151	117.650.646
-	-	-	-	-	-	-	-	-	-	-
168.091	382.629	-	-	-	-	-	-	2.939.533	374.056	3.313.589
6.341	556.905	-	-	-	-	-	-	5.758.244	1.132.590	6.890.834
2.234.225	122.777.763	-	-	-	564	-	44.948.195	1.043.692.873	415.042.633	1.458.735.506
<b>5.875.058</b>	<b>201.192.577</b>	-	-	-	<b>1.136.243</b>	<b>3.969.059</b>	<b>143.763.401</b>	<b>2.636.342.995</b>	<b>1.490.796.981</b>	<b>4.127.139.976</b>



TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Prior Period	Risk Classes								
	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organizations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional receivables from corporate receivables	Conditional and unconditional receivables from retail receivables	Conditional and unconditional receivables secured by mortgages
<b>Sectors/Counter Parties</b>									
Agriculture	82	59.512	35.150	-	-	-	32.551.185	151.503.183	17.610.511
Farming and Stockbreeding	5	59.512	35.150	-	-	-	31.266.208	150.806.203	17.517.337
Forestry	77	-	-	-	-	-	196.687	578.986	56.669
Fishing	-	-	-	-	-	-	1.088.290	117.994	36.505
Manufacturing	129.541	1.104	280.106	-	-	-	342.046.768	32.641.565	4.883.286
Mining and Quarrying	-	-	-	-	-	-	15.328.789	464.649	116.469
Production	129.530	9	119.426	-	-	-	253.248.181	31.855.869	4.705.324
Electric, Gas and Water	11	1.095	160.680	-	-	-	73.469.798	321.047	61.493
Construction	-	-	11	-	-	-	87.408.734	10.550.748	4.059.157
Services	351.164.458	19.759	1.058.264	-	-	121.157.326	289.565.876	57.854.566	10.142.433
Wholesale and Retail Trade	-	26	4.592	-	-	-	79.654.784	42.436.423	7.093.166
Hotel Food and Beverage Services	13.886	35	2.452	-	-	-	18.585.535	3.431.655	816.343
Transportation and Telecommunication	-	25	932.590	-	-	-	106.457.485	5.197.136	767.913
Sectors/Counter Parties	348.728.601	-	9.074	-	-	119.425.536	10.795.982	26.891	17.141
Real Estate and Leasing Services	2.300.128	19.672	31.571	-	-	1.731.790	69.604.657	5.068.111	1.192.295
Self-Employment Services	-	-	-	-	-	-	35.863	41.064	28.355
Education Services	120.403	-	17.723	-	-	-	1.361.871	588.900	85.665
Health and Social Services	1.440	1	60.262	-	-	-	3.069.699	1.064.386	141.555
Other	420.192.407	652.496	11.649.934	-	-	-	29.401.015	110.680.356	202.949.953
<b>Total</b>	<b>771.486.488</b>	<b>732.871</b>	<b>13.023.465</b>	<b>-</b>	<b>-</b>	<b>121.157.326</b>	<b>780.973.578</b>	<b>363.230.418</b>	<b>239.645.340</b>

*Prepared with the numbers after conversion rate to credit and before Credit Risk Reduction*

**Risk Classes**

Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralized by mortgage	Securitization positions	Short-term from banks, brokerage houses and corporates	Investments similar to collective investment funds	Investments in Equity Instruments	Other Receivables	TL	FC	Total
171.654	4.339.769	-	-	-	-	-	-	204.731.909	1.539.137	206.271.046
170.309	4.298.967	-	-	-	-	-	-	203.252.523	901.168	204.153.691
711	4.899	-	-	-	-	-	-	814.260	23.769	838.029
634	35.903	-	-	-	-	-	-	665.126	614.200	1.279.326
329.160	28.687.823	-	-	-	-	-	-	239.478.978	169.520.375	408.999.353
1.982	1.978.292	-	-	-	-	-	-	6.359.175	11.531.006	17.890.181
307.379	23.719.359	-	-	-	-	-	-	199.526.869	114.558.208	314.085.077
19.799	2.990.172	-	-	-	-	-	-	33.592.934	43.431.161	77.024.095
192.104	6.680.566	-	-	-	303.180	-	-	54.783.215	54.411.285	109.194.500
415.107	23.145.031	-	-	-	2.590.061	2.124.655	70.417.237	365.791.206	563.863.567	929.654.773
329.486	14.104.647	-	-	-	-	-	-	117.554.070	26.069.054	143.623.124
31.373	960.196	-	-	-	-	-	-	9.924.734	13.916.741	23.841.475
20.221	1.753.329	-	-	-	-	-	-	14.376.718	100.751.981	115.128.699
1	3.797.251	-	-	-	1.597.500	-	70.417.237	180.518.673	374.296.541	554.815.214
27.798	2.008.023	-	-	-	992.561	2.124.655	-	37.946.411	47.154.850	85.101.261
-	19	-	-	-	-	-	-	96.270	9.031	105.301
3.002	152.246	-	-	-	-	-	-	1.627.095	702.715	2.329.810
3.226	369.320	-	-	-	-	-	-	3.747.235	962.654	4.709.889
1.909.801	46.383.221	-	-	-	182	639.605	27.495.800	565.468.867	286.485.903	851.954.770
<b>3.017.826</b>	<b>109.236.410</b>	-	-	-	<b>2.893.423</b>	<b>2.764.260</b>	<b>97.913.037</b>	<b>1.430.254.175</b>	<b>1.075.820.267</b>	<b>2.506.074.442</b>

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 4. Analysis of maturity-bearing exposures according to remaining maturities

Current Period	Term to Maturity				
	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
<b>Exposure Classifications:</b>					
Conditional and unconditional exposures to central governments or central banks	224.715.145	7.682.168	47.215.052	20.694.521	1.104.523.312
Conditional and unconditional exposures to regional governments or local authorities	6.802	8.616	29.284	41.821	6.854.983
Conditional and unconditional receivables from administrative units and non-commercial enterprises	18.758	4.534	451.074	207.036	34.365.855
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	59.376.471	14.746.606	22.474.881	10.441.045	140.664.835
Conditional and unconditional exposures to corporates	37.065.367	41.285.488	40.846.751	264.486.540	711.826.330
Conditional and unconditional retail exposures	10.169.908	35.321.164	46.708.812	283.076.455	301.447.101
Conditional and unconditional exposures secured by real estate property	1.068.326	3.215.721	5.097.807	25.934.245	269.130.824
Past due receivables	2.728.363	278.132	353.056	487.019	2.028.488
Receivables defined in high risk category by BRSA	4.212.434	1.732.620	2.678.538	134.961.819	57.607.166
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	2.991	6.575	451.348	675.329
Investments in Equity Instruments	-	-	-	-	3.969.059
<b>Grand Total</b>	<b>339.361.574</b>	<b>104.278.040</b>	<b>165.861.830</b>	<b>740.781.849</b>	<b>2.633.093.282</b>

Prepared with the numbers after conversion rate to credit and before Credit Risk Reduction.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Prior Period	Term to Maturity				
	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
<b>Exposure Classifications:</b>					
Conditional and unconditional exposures to central governments or central banks	113.615.352	3.470.587	11.947.034	59.514.961	582.938.554
Conditional and unconditional exposures to regional governments or local authorities	6.482	7.227	16.959	57.798	644.405
Conditional and unconditional receivables from administrative units and non-commercial enterprises	10.254	21.651	207.953	1.691.561	11.092.046
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	45.092.658	15.493.391	11.986.860	4.623.302	43.961.115
Conditional and unconditional exposures to corporates	43.029.859	59.743.020	69.842.761	189.452.072	418.905.866
Conditional and unconditional retail exposures	5.363.757	15.944.616	23.272.994	160.681.598	157.967.453
Conditional and unconditional exposures secured by real estate property	942.794	2.002.926	2.516.988	17.559.489	216.623.143
Past due receivables	718.888	127.365	531.432	239.937	1.400.204
Receivables defined in high risk category by BRSA	3.955.563	4.170.579	10.574.731	43.641.073	46.894.464
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	51.094	107.646	1.079.210	1.655.473
Investments in Equity Instruments	-	-	-	-	2.764.260
<b>Grand Total</b>	<b>212.735.607</b>	<b>101.032.456</b>	<b>131.005.358</b>	<b>478.541.001</b>	<b>1.484.846.983</b>

Prepared with the numbers after conversion rate to credit and before Credit Risk Reduction.

For the foreign banks, the ratings of the Fitch Ratings International Rating Agency is used for determining the risk weights for the risk classes by using a rating grade from the risk classes specified in Article 6 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks. While the international rating score is taken into consideration for the entire risk class receivables from central governments or central banks, the ratings of the Islamic International Rating Agency (IIRA) are used. The country risk classification published by the Organization for Economic Cooperation and Development (OECD) is taken as basis for unclassified central government and central banks. The counterparties residing domestically are accepted as "Gradeless" and take the risk weight which is appropriate for the "Gradeless" category in the related risk class.

In order to determine the risk weight of regarding items that export, or issuer rating not included to purchase/sale accounts is firstly considered to export rating, and also issuer's credit rating is considered in the absence of export rating.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Fitch Rating's and the Islamic International Rating Agency's (IIRA) risk ratings as per the credit quality grades and the risk weights according to exposure categories are presented below:

Credit Quality Grade	Fitch Ratings Long Term Credit Rating	Exposure to Banks and Brokerage Houses	
		Exposures with Original Maturities Less Than 3 Months	Exposures with Original Maturities More Than 3 Months
1	AAA to AA-	20%	20%
2	A+ to A-	20%	50%
3	BBB+ to BBB-	20%	50%
4	BB+ to BB-	50%	100%
5	B+ to B-	50%	100%
6	CCC+ and below	150%	150%

  

Credit Quality Grade	IIRA Long Term Credit Rating	Receivables from the Central Governments and the Central Banks
1	AAA to AA-	0%
2	A+ to A-	20%
3	BBB+ to BBB-	50%
4	BB+ to BB-	100%
5	B+ to B-	100%
6	CCC+ and below	150%

## 5. Exposures by risk weights

### Current Period

Risk Weights	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other	Deductions
												from Equity
1 Exposures before Credit Risk Mitigation	1.417.799.440	-	95.663.081	-	7.613.818	294.765.097	804.297.697	1.306.531.203	125.714.622	-	74.755.018	5.825.826
2 Exposures after Credit Risk Mitigation	1.626.214.981	-	68.789.506	-	155.733.033	234.090.037	595.045.778	1.246.967.081	125.544.542	-	74.755.018	5.825.826

Prepared with the numbers after conversion rate to credit.

### Prior Period

Risk Weights	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other	Deductions
												from Equity
1 Exposures before Credit Risk Mitigation	784.288.690	-	46.238.558	-	5.378.281	167.570.273	480.569.207	912.768.077	47.153.815	-	62.107.541	2.945.394
2 Exposures after Credit Risk Mitigation	863.416.292	-	45.975.174	-	136.476.515	152.214.302	327.673.855	871.185.389	47.025.374	-	62.107.541	2.945.394

Prepared with the numbers after conversion rate to credit.

<sup>(1)</sup>In accordance with the Regulation on Measurement and Evaluation of Banks' Capital Adequacy risk weights of 2% and/or 4% have been added to the Calculation of the Capital Liability for Risks Arising from Central Counterparties as of the current period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 6. Information in terms of major sectors and type of counterparties

Current Period	Loans		Provisions
	Impaired (TFRS 9)		Provisions for Expected Credit Loss (TFRS)
	Significant Increase in Credit Risk (Stage 2)	Non-performing loans (Stage 3)	
<b>Agriculture</b>	<b>8.876.099</b>	<b>865.393</b>	<b>868.924</b>
Farming and Stockbreeding	8.794.844	846.936	851.294
Forestry	47.376	12.317	11.818
Fishery	33.879	6.140	5.812
<b>Manufacturing</b>	<b>55.338.519</b>	<b>4.509.107</b>	<b>31.150.199</b>
Mining and Quarrying	806.934	36.979	131.799
Production	47.911.211	3.835.786	27.409.729
Electricity, Gas and Water	6.620.374	636.342	3.608.671
<b>Construction</b>	<b>14.948.382</b>	<b>9.427.004</b>	<b>13.408.158</b>
<b>Services</b>	<b>49.296.390</b>	<b>7.119.207</b>	<b>11.816.611</b>
Wholesale and Retail Trade	16.265.842	3.085.175	3.324.637
Accommodation and Dining	9.677.356	892.788	1.392.623
Transportation and Telecom.	388.116	172.401	162.862
Financial Institutions	101.760	7.278	5.359
Real Estate and Rental Services	21.457.797	1.893.422	5.983.142
Professional Services	70	140	101
Educational Services	332.367	988.532	726.568
Health and Social Services	1.073.082	79.471	221.319
<b>Other</b>	<b>17.968.063</b>	<b>8.010.149</b>	<b>8.474.931</b>
<b>Total</b>	<b>146.427.453</b>	<b>29.930.860</b>	<b>65.718.823</b>

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Prior Period	Loans		Provisions
	Impaired (TFRS 9)		Provisions for Expected Credit Loss (TFRS)
	Significant Increase in Credit Risk (Stage 2)	Non-performing loans (Stage 3)	
<b>Agriculture</b>	<b>3.798.858</b>	<b>953.502</b>	<b>1.021.046</b>
Farming and Stockbreeding	3.787.838	938.201	1.007.413
Forestry	6.166	9.438	8.323
Fishery	4.854	5.863	5.310
<b>Manufacturing</b>	<b>36.505.877</b>	<b>2.934.846</b>	<b>17.343.091</b>
Mining and Quarrying	727.461	36.627	137.166
Production	29.252.291	2.642.643	15.677.227
Electricity, Gas and Water	6.526.125	255.576	1.528.698
<b>Construction</b>	<b>9.224.863</b>	<b>3.935.665</b>	<b>6.737.985</b>
<b>Services</b>	<b>31.960.042</b>	<b>5.084.000</b>	<b>13.869.055</b>
Wholesale and Retail Trade	6.017.430	3.033.916	3.683.167
Accommodation and Dining	6.528.333	664.395	2.308.812
Transportation and Telecom.	571.312	188.017	170.299
Financial Institutions	140.537	12.718	28.450
Real Estate and Rental Services	16.894.102	1.112.594	7.043.097
Professional Services	26.006	90	158
Educational Services	864.403	17.890	184.202
Health and Social Services	917.919	54.380	450.870
<b>Other</b>	<b>9.965.134</b>	<b>6.339.940</b>	<b>6.376.993</b>
<b>Total</b>	<b>91.454.774</b>	<b>19.247.953</b>	<b>45.348.170</b>

## 7. Information about Value Adjustment and Change in Provisions

Current Period		Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
1	Stage 3 Expected Loss Provisions	15.874.535	12.146.192	(5.361.565)	(17.196)	22.641.966
2	Stage 1 and 2 Expected Loss Provisions	38.480.174	25.717.088	(9.928.504)	9.790	54.278.548
Prior Period		Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
1	Stage 3 Expected Loss Provisions	15.272.896	6.007.385	(4.823.134)	(582.612)	15.874.535
2	Stage 1 and 2 Expected Loss Provisions	17.651.921	20.967.069	(124.128)	(14.688)	38.480.174

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 8. Risks Included Capital Capacity Buffer Calculations

### Current Period

Country	Banking Accounts RWA	Trading Accounts RWA	Total
Kazakhstan	16.774.658	-	16.774.658
Bosnia and Herzegovina	15.056.859	-	15.056.859
Azerbaijan	11.913.505	-	11.913.505
Germany	10.748.610	-	10.748.610
Uzbekistan	9.778.507	-	9.778.507
Iraq	4.395.868	921.119	5.316.987
Russia	4.725.704	-	4.725.704
Turkish Republic of Northern Cyprus	4.522.649	-	4.522.649
USA	1.701.663	2.548.956	4.250.619
Holland	2.468.415	-	2.468.415
Other	14.672.334	-	14.672.334

### Prior Period

Country	Banking Accounts RWA	Trading Accounts RWA	Total
Bosnia and Herzegovina	13.912.126	-	13.912.126
Germany	11.235.323	-	11.235.323
Kazakhstan	4.637.595	-	4.637.595
Azerbaijan	4.455.894	-	4.455.894
Russia	3.379.162	-	3.379.162
Turkish Republic of Northern Cyprus	3.377.246	-	3.377.246
Uzbekistan	2.791.932	-	2.791.932
USA	906.371	1.300.213	2.206.584
Iraq	1.508.709	590.783	2.099.492
Kosovo	1.630.051	136.256	1.766.307
Other	8.227.356	-	8.227.356

## III. EXPLANATIONS ON THE CONSOLIDATED CURRENCY RISK

### 1. Whether the Parent Bank is Exposed to Foreign Currency Risk, Whether The Effects of This Matter are Estimated, Whether Limits for The Daily Followed Positions are Determined by the Board of Director

The Parent Bank's policy is to avoid carrying significant position by means of foreign currency management. Risks are monitored by the currency risk tables prepared based on the standard method. Besides, Value at Risk (VAR) is calculated for daily foreign exchange position and reported to the related departments. VAR based currency risk limit approved by the Board of Directors is also monitored on daily basis. Additionally, dealer's position and operational limits for foreign exchange transactions are under the authorization of the Board of Directors.

### 2. Hedge Against Foreign Exchange Debt Instruments and Net Foreign Exchange Investments by Hedging Derivative Instruments, if Material

None.



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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

### 3. Management Policy for Foreign Currency Risk

Periodic “Liquidity Gap Analysis” and “Repricing Gap Analysis” to determine the liquidity and structural interest rate risks in the US Dollar and Euro, which are the most important foreign currencies in which the Parent Bank operates, and the historical renewal rates of foreign exchange deposit accounts. “Structural Liquidity Gap Analysis” is performed. In addition, daily VAR analysis for the follow-up of the currency risk and within the scope of legal reporting, Foreign Currency Net General Position/Equity Standard Ratio and Foreign Currency Liquidity Position are regularly monitored. The Parent Bank manages the Turkish Lira or foreign currency risks that may occur in domestic and international markets and follow the transactions that create these risks and manages these risks at the optimum level within the framework of market expectations and within the scope of its strategies by considering the balance with other financial risks. Sensitivity analysis regarding the currency risk that the Group is exposed to is explained in Note 6.

### 4. 6. Current Foreign Exchange Bid Rates of The Parent Bank for The Last 5 Business Days Prior to The Financial Statement Date

	USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100 JPY
22.12.2023	28,7758	31,7305	19,6020	4,2569	2,8839	33,7486	21,7311	2,8293	36,6133	7,6641	20,2464
25.12.2023	28,7842	31,6641	19,5795	4,2490	2,8710	33,5805	21,6953	2,8245	36,5020	7,6663	20,1985
26.12.2023	28,8984	31,8271	19,6534	4,2704	2,8758	33,7698	21,8604	2,8296	36,7003	7,6976	20,2754
27.12.2023	28,9541	32,0652	19,7899	4,3020	2,8958	34,0039	21,9423	2,8619	36,9163	7,7133	20,2880
28.12.2023	29,0154	32,1636	19,8188	4,3162	2,9139	34,6653	21,9706	2,8590	36,9898	7,7300	20,5822
29.12.2023	29,1205	32,1973	19,8068	4,3211	2,8988	34,6727	21,9885	2,8743	37,0415	7,7580	20,5612

### 5. 7. Simply Arithmetic Average of The Parent Bank’s Current Foreign Exchange Bid Rates for The Last 30 Days Prior to The Balance Sheet Date

	USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100 JPY
	28,1270	30,2164	18,2877	4,0525	2,6391	31,6983	20,6379	2,5981	34,8540	7,4861	19,0193

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 6. Information on The Foreign Currency Risk of the Group

	EUR	USD	Other FC	Total
<b>Current Period</b>				
<b>Assets</b>				
Cash (Cash in vault, effectives, money in transit, cheques purchased) and Balances with Central Bank of the Republic of Türkiye	164.911.827	215.982.914	55.989.850	436.884.591
Banks <sup>(7)</sup>	15.352.988	23.489.201	27.932.239	66.774.428
Financial Assets at Fair Value Through Profit and Loss	-	7.428.282	53.146.046	60.574.328
Money Markets Receivables	128.907	-	-	128.907
Financial Assets at Fair Value Through Other Comprehensive Income	23.238.209	311.779.338	779.370	335.796.917
Loans <sup>(1)(6)</sup>	332.954.281	323.579.833	27.405.874	683.939.988
Subsidiaries, Associates, Entities Under Common Control (Joint Ventures)	-	1.557.219	39.644	1.596.863
Financial Assets Measured at Amortized Cost	62.209.211	16.065.827	252.111	78.527.149
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Fixed Assets	1.814.898	16.258	1.826.082	3.657.238
Intangible Assets	129.919	14.869	241.174	385.962
Other Assets <sup>(3)</sup>	3.526.156	7.924.140	1.499.112	12.949.408
<b>Total Assets <sup>(4)</sup></b>	<b>604.266.396</b>	<b>907.837.881</b>	<b>169.111.502</b>	<b>1.681.215.779</b>
<b>Liabilities</b>				
Interbank Deposits	47.428.432	8.668.244	5.772.839	61.869.515
Foreign Currency Deposits	564.777.882	534.031.698	232.083.364	1.330.892.944
Money Market Borrowings	-	88.831.593	-	88.831.593
Funds Provided from Other Financial Institutions	91.750.902	107.520.147	3.829.718	203.100.767
Issued Marketable Securities <sup>(5)</sup>	46.620.531	61.111.533	-	107.732.064
Miscellaneous Payables	11.685.335	6.188.543	451.552	18.325.430
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	9.792.063	14.462.846	6.649.459	30.904.368
<b>Total Liabilities</b>	<b>772.055.145</b>	<b>820.814.604</b>	<b>248.786.932</b>	<b>1.841.656.681</b>
<b>Net Balance Sheet Position</b>	<b>(167.788.749)</b>	<b>87.023.277</b>	<b>(79.675.430)</b>	<b>(160.440.902)</b>
<b>Net Off-Balance Sheet Position <sup>(2)</sup></b>	<b>171.375.286</b>	<b>(51.387.183)</b>	<b>96.796.549</b>	<b>216.784.652</b>
Financial Derivative Assets	208.963.520	299.286.840	105.117.310	613.367.670
Financial Derivative Liabilities	37.588.234	350.674.023	8.320.761	396.583.018
<b>Non-Cash Loans</b>	<b>192.408.922</b>	<b>285.857.771</b>	<b>51.997.499</b>	<b>530.264.192</b>
<b>Prior Period</b>				
Total Assets	351.764.911	672.879.650	100.562.158	1.125.206.719
Total Liabilities	480.222.914	554.576.450	134.837.100	1.169.636.464
<b>Net Balance Sheet Position</b>	<b>(128.458.003)</b>	<b>118.303.200</b>	<b>(34.274.942)</b>	<b>(44.429.745)</b>
<b>Net Off-Balance Sheet Position <sup>(2)</sup></b>	<b>128.642.563</b>	<b>(117.581.650)</b>	<b>44.630.485</b>	<b>55.691.398</b>
Financial Derivative Assets	158.343.592	131.879.951	49.706.652	339.930.195
Financial Derivative Liabilities	29.701.029	249.461.601	5.076.167	284.238.797
<b>Non-Cash Loans</b>	<b>107.332.041</b>	<b>167.451.521</b>	<b>26.111.429</b>	<b>300.894.991</b>

<sup>(1)</sup> TL 85.650 equivalent of US Dollars and TL 28.777 equivalent of Euro balance of the loans given arise from foreign currency indexed loans (31 December 2022: TL 116.426 equivalent of US Dollars and TL 80.193 equivalent of Euro balance arise from foreign currency indexed loans).

<sup>(2)</sup> Indicates the net balance of receivables and payables on derivative financial instruments

<sup>(3)</sup> Prepaid expenses in other assets amounting to TL 312.084 are not included in the table (31 December 2022: Prepaid expenses in other assets amounting to TL 79.997 are not included in the table).

<sup>(4)</sup> Expected loss provisions for financial assets and other assets are reflected in related items.

<sup>(5)</sup> Includes subordinated debt instruments.

<sup>(6)</sup> It also includes receivables from leasing transactions.

<sup>(7)</sup> Includes the guarantees given for derivative and repo transactions with foreign banks.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### Analysis of Sensitivity to Currency Risk

The effect of 10% depreciation of TL against the USD, Euro and other currencies on the equity and profit or loss statement (excluding tax effects) for the one year accounting periods ending on 31 December 2023 and 31 December 2022 is shown in the table below.

This analysis has been prepared with the assumption that all other variables, especially interest rates, remain constant.

	Current Period - 31 December 2023		Prior Period - 31 December 2022	
	Profit or Loss Statement	Equity <sup>(*)</sup>	Profit or Loss Statement	Equity <sup>(*)</sup>
USD	3.404.287	2.691.657	(374.171)	(831.703)
EUR	(374.912)	(1.036.225)	142.301	(191.527)
Other currencies	1.116.356	1.116.356	670.548	670.548
<b>Total (Net) <sup>(**)</sup></b>	<b>4.145.731</b>	<b>2.771.788</b>	<b>438.678</b>	<b>(352.682)</b>

<sup>(\*)</sup> Equity effect also includes the effect of the profit or loss to occur due to the 10% depreciation of the against the relevant foreign currencies.

<sup>(\*\*)</sup> Associates, subsidiaries, and entities under common control are included in the profit or loss statement impact calculation, but not in equity impact calculation. Tangible and intangible assets are not included in the equity and profit or loss statement impact calculation.

The effect of 10% appreciation of TL against USD, Euro and other currencies on equity and profit or loss statement (excluding tax effect) for the year ending on 31 December 2023 and 31 December 2022 is shown in the table below.

	Current Period - 31 December 2023		Prior Period - 31 December 2022	
	Profit or Loss Statement	Equity <sup>(*)</sup>	Profit or Loss Statement	Equity <sup>(*)</sup>
USD	(3.404.287)	(2.691.657)	374.171	831.703
EUR	374.912	1.036.225	(142.301)	191.527
Other Currencies	(1.116.356)	(1.116.356)	(670.548)	(670.548)
<b>Total (Net) <sup>(**)</sup></b>	<b>(4.145.731)</b>	<b>(2.771.788)</b>	<b>(438.678)</b>	<b>352.682</b>

<sup>(\*)</sup> Equity effect also includes the effect of the profit or loss to occur due to the 10% appreciation of the against the relevant foreign currencies.

<sup>(\*\*)</sup> Associates, subsidiaries and entities under common control are included in the profit or loss statement impact calculation, but not in equity impact calculation. Tangible and intangible assets are not included in the equity and profit or loss statement impact calculation.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## IV. EXPLANATIONS ON THE CONSOLIDATED INTEREST RATE RISK

### 1. Information Related to Interest Rate Sensitivity of Assets, Liabilities and Off-Balance Sheet Items

(Based on days to repricing dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with Central Bank of the Republic of Türkiye	171.411.646	-	-	-	-	437.387.924	608.799.570
Banks <sup>(8)</sup>	24.234.777	858.733	947.204	-	-	44.204.335	70.245.049
Financial Assets at Fair Value Through Profit and Loss	152.430	17.959.570	23.032.512	12.977.323	4.286.324	13.307.753	71.715.912
Money Markets Receivables	154.140.783	-	-	-	-	-	154.140.783
Financial Assets at Fair Value Through Other Comprehensive Income	130.092.912	51.795.743	113.292.616	189.144.843	118.569.491	4.634.865	607.530.470
Loans Given <sup>(3) (7)</sup>	792.327.142	295.686.060	459.839.848	547.349.315	110.945.114	7.288.894	2.213.436.373
Financial Assets Measured at Amortised Cost	34.898.144	69.441.446	96.476.527	65.426.870	82.341.993	-	348.584.980
Other Assets <sup>(2)</sup>	6.001.788	4.451.961	1.555.238	309.375	38.030	167.620.513	179.976.905
<b>Total Assets <sup>(1) (5)</sup></b>	<b>1.313.259.622</b>	<b>440.193.513</b>	<b>695.143.945</b>	<b>815.207.726</b>	<b>316.180.952</b>	<b>674.444.284</b>	<b>4.254.430.042</b>
<b>Liabilities</b>							
Interbank Deposits	51.042.271	33.990.985	234.278	-	-	11.285.647	96.553.181
Other Deposits	1.542.383.529	347.152.375	333.856.129	19.285.991	1.397.523	959.195.119	3.203.270.666
Money Markets Borrowings	33.873.058	7.535.254	8.781.615	44.110.982	-	-	94.300.909
Miscellaneous Payables	9	165	695	4.689	447	67.474.124	67.480.129
Issued Marketable Securities <sup>(6)</sup>	1.529.981	5.382.542	53.620.034	52.655.728	-	-	113.188.285
Funds Provided from Other Financial Institutions	73.379.500	85.864.849	32.771.143	16.409.091	2.096.482	-	210.521.065
Other Liabilities <sup>(4) (6)</sup>	1.355.878	629.293	1.624.909	2.585.046	1.316.124	461.604.557	469.115.807
<b>Total Liabilities <sup>(1)</sup></b>	<b>1.703.564.226</b>	<b>480.555.463</b>	<b>430.888.803</b>	<b>135.051.527</b>	<b>4.810.576</b>	<b>1.499.559.447</b>	<b>4.254.430.042</b>
<b>Balance Sheet Long Position</b>	<b>-</b>	<b>-</b>	<b>264.255.142</b>	<b>680.156.199</b>	<b>311.370.376</b>	<b>-</b>	<b>1.255.781.717</b>
<b>Balance Sheet Short Position</b>	<b>(390.304.604)</b>	<b>(40.361.950)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(825.115.163)</b>	<b>(1.255.781.717)</b>
Off-Balance Sheet Long Position	2.686.937	6.388.495	43.450	655.969	-	-	9.774.851
Off-Balance Sheet Short Position	977.326	4.746.671	36.776	-	(1.015.345)	-	4.745.428
<b>Total Position</b>	<b>(386.640.341)</b>	<b>(29.226.784)</b>	<b>264.335.368</b>	<b>680.812.168</b>	<b>310.355.031</b>	<b>(825.115.163)</b>	<b>14.520.279</b>

<sup>(1)</sup> Balances without fixed maturity are shown in the "Non-Interest Bearing" columns.<sup>(2)</sup> Deferred tax asset is shown under the "Non-Interest Bearing" column.<sup>(3)</sup> Net balance of loans under follow-up is shown under the "Non-Interest Bearing" column in loans given.<sup>(4)</sup> Total shareholders' equity is shown under the "Non-Interest Bearing" column.<sup>(5)</sup> Allowance for expected losses for financial assets and other assets are reflected in the related items.<sup>(6)</sup> Includes subordinated debt instruments.<sup>(7)</sup> It also includes receivables from leasing transactions.<sup>(8)</sup> Includes the guarantees given for derivative and repo transactions with foreign banks.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

(Based on days to repricing dates)

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with Central Bank of the Republic of Türkiye	38.048.117	-	-	-	-	365.898.630	403.946.747
Banks <sup>(8)</sup>	7.406.743	1.386.519	189.938	-	-	19.658.732	28.641.932
Financial Assets at Fair Value Through Profit and Loss	95.350	73.869	95.397	29.811.195	18.934	5.980.371	36.075.116
Money Markets Receivables	5.380.282	-	-	-	-	902.708	6.282.990
Financial Assets at Fair Value Through Other Comprehensive Income	97.093.862	22.095.922	127.886.487	90.544.173	75.741.323	2.137.240	415.499.007
Loans Given <sup>(3) (7)</sup>	464.070.869	159.943.524	323.653.579	332.695.588	108.908.131	3.373.418	1.392.645.109
Financial Assets Measured at Amortized Cost	2.731.393	50.061.035	22.894.015	63.440.978	26.255.072	-	165.382.493
Other Assets <sup>(2)</sup>	4.809.498	2.350.830	2.072.668	386.820	71.640	94.957.263	104.648.719
<b>Total Assets <sup>(1) (5)</sup></b>	<b>619.636.114</b>	<b>235.911.699</b>	<b>476.792.084</b>	<b>516.878.754</b>	<b>210.995.100</b>	<b>492.908.362</b>	<b>2.553.122.113</b>
<b>Liabilities</b>							
Interbank Deposits	51.668.178	10.298.806	9.160.162	39.629	-	9.315.628	80.482.403
Other Deposits	826.643.143	286.581.492	120.844.849	8.374.970	1.215.724	616.166.491	1.859.826.669
Money Markets Borrowings	57.723.585	20.373.383	6.970.742	7.550.978	-	-	92.618.688
Miscellaneous Payables	-	-	-	-	-	37.724.077	37.724.077
Issued Marketable Securities <sup>(6)</sup>	1.668.805	4.096.385	12.089.962	42.899.866	-	-	60.755.018
Funds Provided from Other Financial Institutions	26.663.592	47.326.727	26.093.701	11.595.664	3.732.349	-	115.412.033
Other Liabilities <sup>(4) (6)</sup>	6.855.318	716.109	1.869.030	871.365	562.350	295.429.053	306.303.225
<b>Total Liabilities <sup>(1)</sup></b>	<b>971.222.621</b>	<b>369.392.902</b>	<b>177.028.446</b>	<b>71.332.472</b>	<b>5.510.423</b>	<b>958.635.249</b>	<b>2.553.122.113</b>
<b>Balance Sheet Long Position</b>	<b>-</b>	<b>-</b>	<b>299.763.638</b>	<b>445.546.282</b>	<b>205.484.677</b>	<b>-</b>	<b>950.794.597</b>
<b>Balance Sheet Short Position</b>	<b>(351.586.507)</b>	<b>(133.481.203)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(465.726.887)</b>	<b>(950.794.597)</b>
Off-Balance Sheet Long Position	3.604.188	2.684.526	262.625	-	-	-	6.551.339
Off-Balance Sheet Short Position	-	-	-	-	(1.015.345)	(13.650)	(1.028.995)
<b>Total Position</b>	<b>(347.982.319)</b>	<b>(130.796.677)</b>	<b>300.026.263</b>	<b>445.546.282</b>	<b>204.469.332</b>	<b>(465.740.537)</b>	<b>5.522.344</b>

<sup>(1)</sup> Balances without fixed maturity are shown in the "Non-Interest Bearing" columns.<sup>(2)</sup> Deferred tax asset is shown under the "Non-Interest Bearing" column.<sup>(3)</sup> Net balance of loans under follow-up is shown under the "Non-Interest Bearing" column in loans given.<sup>(4)</sup> Total shareholders' equity is shown under the "Non-Interest Bearing" column.<sup>(5)</sup> Allowance for expected losses for financial assets and other assets are reflected in the related items.<sup>(6)</sup> Includes subordinated debt instruments.<sup>(7)</sup> It also includes receivables from leasing transactions.<sup>(8)</sup> Includes the guarantees given for derivative and repo transactions with foreign banks.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 2. Average Interest Rate Applied to the Monetary Financial Instruments (%) (Represents Values Belonging to the Parent Bank) (%)

	EUR	USD	JPY	TL
<b>Current Period</b>				
Assets				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Türkiye	-	-	-	-
Banks	4,55	5,65	-	43,50
Financial Assets at Fair Value Through Profit or Loss	-	5,36	-	-
Money Market Receivables	-	-	-	42,95
Financial Assets at Fair Value Through Other Comprehensive Income	3,70	6,18	-	24,85
Loans Given <sup>(1)</sup>	7,71	9,06	-	27,89
Financial Assets Measured at Amortised Cost	4,55	8,39	-	17,81
Liabilities				
Interbank Deposits	4,87	5,65	-	43,61
Other Deposits	1,59	3,44	-	37,11
Money Market Borrowings	-	7,62	-	36,53
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities <sup>(2)</sup>	5,08	6,89	-	36,38
Funds Provided from Other Financial Institutions	6,71	7,72	-	34,74

<sup>(1)</sup> Credit card loan balances are not included.<sup>(2)</sup> Subordinated debt instruments are included.

	EUR	USD	JPY	TL
<b>Prior Period</b>				
Assets				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Türkiye	-	-	-	-
Banks	4,30	-	-	-
Financial Assets at Fair Value Through Profit or Loss	-	5,36	-	-
Money Market Receivables	-	5,41	-	26,23
Financial Assets at Fair Value Through Other Comprehensive Income	3,70	5,16	-	26,73
Loans Given <sup>(1)</sup>	5,83	7,71	-	13,59
Financial Assets Measured at Amortised Cost	4,66	7,58	-	15,90
Liabilities				
Interbank Deposits	1,40	4,17	-	10,43
Other Deposits	1,03	3,44	-	15,67
Money Market Borrowings	3,52	5,58	-	9,17
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities <sup>(2)</sup>	5,08	5,05	-	16,99
Funds Provided from Other Financial Institutions	2,84	4,85	-	8,83

<sup>(1)</sup> Credit card loan balances are not included.<sup>(2)</sup> Subordinated debt instruments are included.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## V. EXPLANATIONS ON THE POSITION RISK OF CONSOLIDATED EQUITY INSTRUMENTS

### 1. Equity Instruments Position Risk Derived from Banking Books

*Comparison with the market value if the market value is significantly different from the fair value for balance sheet, fair and market values of equity share.*

Investments in Equity Instruments - Current Period	Comparison		
	Balance Sheet Value	Fair Value	Market Value
1. Investment in Equity Instruments Group A	-	-	-
Traded on Stock Exchange	-	-	-
2. Investment in Equity Instruments Group B	-	-	-
Traded on Stock Exchange	-	-	-
3. Investment in Equity Instruments Group C	-	-	-
Traded on Stock Exchange	-	-	-
4. Investment in Equity Instruments Group Other	-	-	-
Other <sup>(1)</sup>	2.546.781	2.546.781	-

<sup>(1)</sup> The mentioned stock investments are not traded on the stock exchange and there is no stock market price since they are not publicly traded.

Investments in Equity Instruments - Prior Period	Comparison		
	Balance Sheet Value	Fair Value	Market Value
1. Investment in Equity Instruments Group A	-	-	-
Traded on Stock Exchange	-	-	-
2. Investment in Equity Instruments Group B	-	-	-
Traded on Stock Exchange	-	-	-
3. Investment in Equity Instruments Group C	-	-	-
Traded on Stock Exchange	-	-	-
4. Investment in Equity Instruments Group Other	-	-	-
Other <sup>(1)</sup>	987.208	987.208	-

<sup>(1)</sup> The mentioned stock investments are not traded on the stock exchange and there is no stock market price since they are not publicly traded.

**The breakdown of capital requirements on the basis of related investments in equity instruments depending on the method of the calculation of capital requirement which is chosen by Bank among approaches that are allowed to be used within the Communiqué regarding Credit Risk Standard Method or the Calculation of Counterparty Credit Risk based upon Internal Rating Approaches**

The investments in equity instruments, partaking in banking accounts according to the credit risk standard method, are amounted TL 2.546.781 and all of them are 100% risk weighted (31 December 2022: are amounted TL 987.208 and all of them are 100% risk weighted).

**Total unrealized gains or losses, total revaluation value increases and their amounts included in principal and contribution capital**

Portfolio	Realized Gain/Loss in Current Period	Revaluation Surplus		Unrealized Gain and Loss		
		Total	Included in Contribution Capital	Total	Included in Supplementary Capital	Included in Contribution Capital
1. Private Capital Investments	-	-	-	-	-	-
2. Publicly Traded Stocks	-	-	-	-	-	-
3. Other Stocks	-	1.936.383	1.936.383	-	-	-
<b>Total</b>	-	<b>1.936.383</b>	<b>1.936.383</b>	-	-	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## VI. EXPLANATIONS ON THE CONSOLIDATED LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO

Matters related to liquidity and financial emergency management are determined in the Liquidity and Financial Emergency Management-Liquidity Funding Plan Approved by the Board of Directors.

The Parent Bank conducts the remaining maturity analysis in order to observe the maturity structure of its balance sheet, liquidity gap and structural liquidity gap analysis to monitor the liquidity need by periods, and Liquidity Stress Test in order to evaluate the liquidity need of the Parent Bank in the worst possible situation. Core deposit analysis is carried out to determine the stable part of the deposit, which is the most important fund resource of the Parent Bank. In addition, the Parent Bank-sector maturity structures and legal liquidity ratios are monitored in order to compare the Parent Bank's liquidity risk level with the sector.

### 1. Liquidity Risk

***Explanations related to the liquidity risk management including the Parent Bank's risk capacity, responsibilities and structure of liquidity risk management, reporting of liquidity risk in internal banking, the strategy of liquidity risk and how to provide the communication of policies and implementations with board of directors and business lines***

The Parent Bank's risk capacity, risk appetite, responsibilities and tasks of liquidity risk management and sharing of issues related to liquidity risk management with the bank network are explained in Parent Bank's "Regulations of Risk Management, Stress Test Program and ICAAP Regulations" of the Parent Bank. In this context, liquidity risk strategies, policies and implementations are shared within the Parent Bank on a weekly, monthly, quarterly and annual basis with all relevant departments and the Parent Bank's senior management. The analysis and reports made within this scope are handled at the Asset-Liability Committee meetings and the Board of Directors is informed through the Audit Committee.

***Liquidity management and the degree of centralization of fund strategies, the information about the procedure between Bank and the subsidiaries of Bank***

Continuously the information exchange is actualized about the liquidity need and surpluses between the Parent Bank and its subsidiaries, the necessary guidance and procedures are moderated by Treasury Management and International Banking Group Presidency in order to manage liquidity need and surplus in effective way.

***Information on the Bank's funding strategy, including policies on diversity of funding sources and duration***

The Parent Bank's main funding resource is deposit and the strategy of preserving the granular deposit structure is sustained. Moreover, within the diversification of funding strategy, long-term and cost-effective non-deposit funding is also targeted. In the non-deposit funding; repurchase agreements, post finance, syndication loan facility, loans from international financial institutions, marketable securities issuances, subordinated debt instruments and bilateral loan agreements are at the forefront.

***Explanation related to liquidity management as currencies forming at least 5 percentage of aggregate liabilities of the Parent Bank***

The Parent Bank's total liabilities are consisted of mostly TL, USD and EUR currencies. Besides these currencies, for other currencies, daily and long-term cash flows are monitored, and future projections are made for effective liquidity management purposes.

***Information related to the techniques about the reduction of current liquidity risk***

The Parent Bank's source of funds is mainly formed of deposits. The Parent Bank's deposits do not fluctuate considerably in line with the broadly dispersed customer network and the granular structure of the deposits. Besides, in order to increase the diversification of funds and decrease the maturity gap between assets and liabilities, non-deposit funds such as bond/bill issuances, repo transactions and funds borrowed are executed.

***Explanation regarding the usage of the stress test***

In the presence of unexpected negative circumstances, periodical stress tests being done in order to test the endurance of the parent bank. These actions have been shared with key management of the Bank and all related units for the purpose of taking necessary precautions. Additionally, stress tests also taken into consideration on subjects like the Parent Bank's estimated financial position for the next period, the progress of legal ratios and the liquidity need in short and long term as part of budget practices.



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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

## General information on liquidity urgent and unexpected situation plan

The internal and external sources which can be used in an emergency case to satisfy the liquidity need are periodically monitored and the borrowing limits of the Parent Bank from organized market and other banks are on the level where they meet the structural liquidity deficits on different maturity segments. The Parent Bank lines off its exposition to liquidity risk by limits that are approved by Board of Directors and within the frame of “Regulation on Risk Management, Stress Test Program and ICAAP Regulations”. In addition, matters related to liquidity and financial emergency management have been identified.

## 2. Liquidity Coverage Ratio

Within the framework of “Regulation on Calculation of Liquidity Covered Rate of Banks” published in the Official Gazette dated 21 March 2014 and numbered 28948 by the BRSA, the Parent Bank calculates the liquidity coverage ratio and transmits it to BRSA on a monthly consolidated basis. Consolidated rates realized in the last three months are shown in the table below:

### Current Period - 31 December 2023

Liquidity Coverage Ratio	FC		TL+FC	
	Date	Ratio	Date	Ratio
	October 2023	371,37	October 2023	187,8
	November 2023	443,16	November 2023	184,41
	December 2023	388,23	December 2023	186,98

### Prior Period - 31 December 2022

Liquidity Coverage Ratio	FC		TL+FC	
	Date	Ratio	Date	Ratio
	October 2022	363,66	October 2022	179,92
	November 2022	410,45	November 2022	189,99
	December 2022	435,7	December 2022	194,62

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Current Period	Total Unweighted Amount <sup>(*)</sup>		Total Weighted Amount <sup>(*)</sup>	
	TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS</b>				
High Quality Liquid Assets			1.134.101.388	557.566.260
<b>CASH OUTFLOWS</b>				
Retail and Small Business Customers, of which;	1.836.011.270	839.016.378	164.098.855	83.900.031
Stable deposits	390.045.429	32.140	19.502.271	1.607
Less stable deposits	1.445.965.841	838.984.238	144.596.584	83.898.424
Unsecured wholesale funding, of which;	1.179.112.518	488.447.509	551.247.775	231.431.355
Operational deposit	44.143.037	13.942.200	10.750.245	3.296.623
Non-operational deposits	980.425.089	415.727.319	417.142.908	170.563.767
Other unsecured funding	154.544.392	58.777.990	123.354.622	57.570.965
Secured funding			-	-
Other cash outflows, of which;	635.959.697	74.922.610	78.490.282	33.227.676
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	26.425.497	26.361.019	26.425.497	26.361.019
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off-balance sheet obligations	609.534.200	48.561.591	52.064.785	6.866.657
Other revocable off-balance sheet commitments and contractual obligations	67.104.112	67.104.112	3.355.206	3.355.206
Other irrevocable or conditionally revocable off-balance sheet obligations	253.276.703	155.101.052	13.795.627	7.755.053
<b>TOTAL CASH OUTFLOWS</b>			<b>810.987.745</b>	<b>359.669.321</b>
<b>CASH INFLOWS</b>				
Secured lending	-	-	-	-
Unsecured lending	258.108.583	126.985.874	190.822.740	108.137.776
Other cash inflows	10.801.097	110.038.442	10.749.814	109.987.159
<b>TOTAL CASH INFLOW</b>	<b>268.909.680</b>	<b>237.024.316</b>	<b>201.572.554</b>	<b>218.124.935</b>
			<b>Upper Limit Applied Amounts</b>	
<b>TOTAL HQLA STOCK</b>			<b>1.134.101.388</b>	<b>557.566.260</b>
<b>TOTAL NET CASH OUTFLOWS</b>			<b>609.415.191</b>	<b>141.544.386</b>
<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>186,10</b>	<b>393,92</b>

(\*) The average of last three months' liquidity coverage ratio calculated by monthly simple averages.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Prior Period	Total Unweighted Amount <sup>(1)</sup>		Total Weighted Amount <sup>(1)</sup>	
	TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS</b>				
High Quality Liquid Assets			705.756.623	460.311.702
<b>CASH OUTFLOWS</b>				
Retail and Small Business Customers, of which;	1.007.872.426	548.849.632	90.416.451	54.883.503
Stable deposits	207.415.835	29.214	10.370.792	1.461
Less stable deposits	800.456.591	548.820.418	80.045.659	54.882.042
Unsecured wholesale funding, of which;	758.643.744	358.274.285	348.437.665	170.001.407
Operational deposit	33.907.001	6.853.366	8.425.176	1.661.768
Non-operational deposits	630.467.392	308.542.116	265.000.856	126.428.533
Other unsecured funding	94.269.351	42.878.803	75.011.633	41.911.106
Secured funding			-	-
Other cash outflows, of which;	228.595.424	38.687.464	32.179.698	24.553.084
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	17.014.572	21.207.751	17.014.572	21.207.751
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off- balance sheet obligations	211.580.852	17.479.713	15.165.126	3.345.333
Other revocable off-balance sheet commitments and contractual obligations	32.216.626	32.216.626	1.610.831	1.610.831
Other irrevocable or conditionally revocable off-balance sheet obligations	161.218.935	104.884.625	9.220.927	5.244.231
<b>TOTAL CASH OUTFLOWS</b>			<b>481.865.571</b>	<b>256.293.056</b>
<b>CASH INFLOWS</b>				
Secured lending	-	-	-	-
Unsecured lending	151.525.343	67.844.985	103.090.462	49.871.192
Other cash inflows	4.030.649	91.420.876	3.985.252	91.375.479
<b>TOTAL CASH INFLOW</b>	<b>155.555.992</b>	<b>159.265.861</b>	<b>107.075.714</b>	<b>141.246.671</b>
			<b>Upper Limit Applied Amounts</b>	
<b>TOTAL HQLA STOCK</b>			<b>705.756.623</b>	<b>460.311.702</b>
<b>TOTAL NET CASH OUTFLOWS</b>			<b>374.789.858</b>	<b>115.046.385</b>
<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>188,31</b>	<b>400,11</b>

<sup>(1)</sup> The average of last three months' liquidity coverage ratio calculated by monthly simple averages.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 3. Explanations on Liquidity Coverage Ratio

### ***Important points affecting the results of liquidity coverage ratio and the changes of the considered items in the course of time to calculate this ratio***

Parent Bank deposits, which constitute a significant part of its resources and cash outflows in the liquidity coverage ratio, have a non-fluctuating structure, but may cause periodic changes in total deposits compared to public deposits and other deposits. While considering the previous periods, the amount of the total deposits has an increasing trend.

Although they have low conversion into cash rate, non-cash loans also have a remarkable extent in proportion to financial statement, they have an impact on the calculation of liquidity coverage ratio. Comparing to previous periods, non-cash loans are in increasing trend.

Bonds and bills in the securities portfolio are being used in repo transactions as collateral. Since the securities used in repo transactions lose the characteristic of being free, in accordance with that securities can be used as collateral, liquidity coverage ratio is affected.

### ***The content of high-quality liquid assets***

All of the high-quality liquid assets in the calculation of liquidity coverage ratio are first quality liquid assets. These are cash, the accounts in Central Bank, reserve requirements and securities portfolio (the important part of bonds and T-bills issued by Republic of Türkiye Ministry of Treasury and Finance and other bonds).

### ***The content of funds and their share in the total liabilities and funding***

A major part of the resources of funds in Group is comprised of deposits, the remaining is divided according to their share in the balance sheet as repo, funds borrowed, and issued securities.

### ***Information about cash out-flows arising from derivative operations and margin operations likely to processing***

Derivative operations in Parent Bank are carried out on the purpose of protection from the risks that may exist or occur in the balance sheet, liquidity management, or meeting customer demand. Customer operations are carried out under the "Framework Agreement on Purchase and Sale of Derivative Instruments" or ISDA (International Swaps and Derivatives Association) and CSA (Credit Support Annex), as well as transactions with banks are performed again under ISDA and CSA agreements signed. Operations performed under the said contracts in the determined periods are subject to daily market valuation and additional cash margining. Operations could create additional collateral inflow or outflow depending on market valuation.

### ***The concentration limits regarding collateral and counterparty and product-based fund resources***

For the counterparty and product-based concentration limits are determined under Regulation on Risk Management, Stress Test Program, and the Parent Bank's Internal Capital Adequacy Assessment Process ("ICAAP") with the approval of Senior Management. These limits are followed in particular frequency. Besides, it is being reported to the relevant units and senior management. There is no excess regarding the limits during operating period.

### ***Liquidity risk and needed funding on the basis of the bank itself, the branches in foreign countries and the partnerships consolidated by considering operational and legal factors preventing liquidity transfer***

The needed and surplus of liquidity of the branches in foreign countries of the parent bank and partnerships consolidated are followed and managed regularly. There is no constraint of operational and legal factors preventing liquidity transfer. In the analysis made, it is observed that the impact of the foreign branches and subsidiaries on the Parent Bank's liquidity structure remain limited comparing to the size of the balance sheet. The need and surplus of the liquidity is encountered properly between partnerships, as well as the branches abroad.

### ***Explanations of cash in-flow and cash out-flow items that are considered to be related to liquidity profile of the Bank and to be placed on the calculation of liquidity coverage ratio but not on the second paragraph of the disclosure template***

All items on the calculation of liquidity coverage ratio are included in calculation in aggregated form on the table. In this context, there is no point included in the calculation of liquidity coverage ratio and not included in the disclosure template.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 4. Presentation of Assets and Liabilities According to Their Remaining Maturities

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed <sup>(1)</sup>	Total
<b>Current Period</b>								
<b>Assets</b>								
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Türkiye	269.452.948	339.346.622	-	-	-	-	-	608.799.570
Banks <sup>(2)</sup>	44.204.335	24.234.777	858.733	947.204	-	-	-	70.245.049
Financial Assets at Fair Value Through Profit and Loss	1.436.021	152.430	17.959.570	23.032.512	12.977.323	4.286.324	11.871.732	71.715.912
Money Market Receivables	-	154.140.783	-	-	-	-	-	154.140.783
Financial Assets at Fair Value Through Other Comprehensive Income	-	46.813.062	20.441.107	79.585.715	320.479.001	137.664.806	2.546.779	607.530.470
Loans Given <sup>(4)</sup>	-	93.883.951	266.963.090	955.284.523	676.784.138	213.231.777	7.288.894	2.213.436.373
Investments Held-to- Maturity	-	1.404.407	36.901.354	83.952.869	107.895.339	118.431.011	-	348.584.980
Other Assets	69.016.633	4.467.297	4.451.961	1.591.666	309.374	38.031	100.101.943	179.976.905
<b>Total Assets <sup>(2)</sup></b>	<b>384.109.937</b>	<b>664.443.329</b>	<b>347.575.815</b>	<b>1.144.394.489</b>	<b>1.118.445.175</b>	<b>473.651.949</b>	<b>121.809.348</b>	<b>4.254.430.042</b>
<b>Liabilities</b>								
Interbank Deposits	11.285.645	51.042.269	33.990.986	234.281	-	-	-	96.553.181
Other Deposits	959.195.119	1.541.070.320	347.846.200	334.348.204	19.410.405	1.400.418	-	3.203.270.666
Funds Provided from Other Financial Institutions	-	11.796.696	7.379.784	70.386.811	110.200.713	10.757.061	-	210.521.065
Money Market Borrowings	-	33.873.058	7.535.254	8.781.615	44.110.982	-	-	94.300.909
Issued Marketable Securities <sup>(3)</sup>	-	1.529.981	5.382.542	53.620.034	52.655.728	-	-	113.188.285
Miscellaneous Payables	24.079.991	41.409.839	165	695	4.689	450	1.984.300	67.480.129
Other Liabilities <sup>(3)</sup>	91.251.417	6.213.010	6.554.880	1.624.909	2.585.046	7.252.956	353.633.589	469.115.807
<b>Total Liabilities</b>	<b>1.085.812.172</b>	<b>1.686.935.173</b>	<b>408.689.811</b>	<b>468.996.549</b>	<b>228.967.563</b>	<b>19.410.885</b>	<b>355.617.889</b>	<b>4.254.430.042</b>
<b>Liquidity Gap</b>	<b>(701.702.235)</b>	<b>(1.022.491.844)</b>	<b>(61.113.996)</b>	<b>675.397.940</b>	<b>889.477.612</b>	<b>454.241.064</b>	<b>(233.808.541)</b>	<b>-</b>
<b>Net Off-Balance Sheet Position</b>								
Financial Derivative Assets	-	835.839	(7.213.346)	35.317	(65.007)	4.080.743	-	(2.326.454)
Financial Derivative Liabilities	-	365.573.649	185.667.086	8.039.498	5.480.978	5.096.088	-	569.857.299
<b>Non-cash Loans</b>	<b>231.799.204</b>	<b>40.637.480</b>	<b>66.171.079</b>	<b>265.449.449</b>	<b>181.154.736</b>	<b>82.031.887</b>	<b>-</b>	<b>867.243.835</b>
<b>Prior Period</b>								
Total Assets	254.499.995	325.663.406	179.729.788	671.023.761	700.153.975	351.328.777	70.722.411	2.553.122.113
Total Liabilities	688.333.099	967.191.973	337.649.780	201.700.368	101.812.535	19.343.118	237.091.240	2.553.122.113
<b>Liquidity Gap</b>	<b>(433.833.104)</b>	<b>(641.528.567)</b>	<b>(157.919.992)</b>	<b>469.323.393</b>	<b>598.341.440</b>	<b>331.985.659</b>	<b>(166.368.829)</b>	<b>-</b>
<b>Net Off-Balance Sheet Position</b>								
Financial Derivative Assets	-	3.078.210	(76.776)	263.284	-	2.256.893	-	5.521.611
Financial Derivative Liabilities	-	217.080.558	79.987.344	14.378.870	2.369.535	3.272.238	-	317.088.545
<b>Non-cash Loans</b>	<b>129.374.760</b>	<b>17.327.045</b>	<b>48.622.420</b>	<b>155.246.177</b>	<b>94.685.727</b>	<b>16.473.798</b>	<b>-</b>	<b>461.729.927</b>

<sup>(1)</sup> Assets which are required for banking operations and could not be converted into cash in short-term, such as; property and equipment, associates, subsidiaries and entities under common control, office supply inventory, prepaid expenses and net under follow-up loans as well as securities representing a share in capital; and other liabilities such as provisions which are not considered as payables and equity are classified as undistributed.

<sup>(2)</sup> Expected Loss Provision for financial assets and other assets are recognized in the related account.

<sup>(3)</sup> Includes subordinated debt instruments.

<sup>(4)</sup> Includes receivables from rental transactions.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

<sup>(9)</sup>Includes the guarantees given for derivative and repo transactions with foreign banks.

## 5. Representation of Financial Liabilities by Remaining Contractual Maturities

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Banks Deposit	62.215.306	34.379.511	234.281	-	-	96.829.098
Other Deposits	2.507.953.170	358.820.223	358.844.146	20.948.049	1.402.661	3.247.968.249
Funds Provided to Other Financial Institutions	12.004.479	8.255.343	77.233.708	119.370.450	11.540.579	228.404.559
Payables to Money Markets	33.925.142	7.610.695	9.133.530	51.803.867	-	102.473.234
<b>Total</b>	<b>2.616.098.097</b>	<b>409.065.772</b>	<b>445.445.665</b>	<b>192.122.366</b>	<b>12.943.240</b>	<b>3.675.675.140</b>
Prior Period						
Banks Deposit	60.920.736	10.383.237	9.782.322	6.898.361	3.064.964	91.049.620
Other Deposits	1.445.115.696	290.768.113	123.453.918	8.824.595	1.223.545	1.869.385.867
Funds Provided to Other Financial Institutions	2.112.084	9.855.090	52.540.900	37.518.110	8.446.343	110.472.527
Payables to Money Markets	57.798.179	20.501.945	7.034.894	8.237.972	-	93.572.990
<b>Total</b>	<b>1.565.946.695</b>	<b>331.508.385</b>	<b>192.812.034</b>	<b>61.479.038</b>	<b>12.734.852</b>	<b>2.164.481.004</b>

## VII. EXPLANATIONS ON CONSOLIDATED LEVERAGE RATIO

### 1. Explanations on Issues that Cause Differences Between Leverage Ratios

The Group's consolidated leverage calculated by force of the regulation "Regulation on Measurement and Assessment of Leverage Ratios of Banks" is 6,60% (31 December 2022: 7,12%). The regulation sentenced the minimum leverage ratio as 3%.

Balance sheet assets	Current Period <sup>(*)</sup>	Prior Period <sup>(*)</sup>
On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	4.036.046.993	2.442.705.557
(Assets deducted in determining Tier 1 capital)	(26.897.360)	(24.795.544)
Total on-balance sheet risks (sum of lines 1 and 2)	4.009.149.633	2.417.910.013
Derivative financial instruments and credit derivatives		
Replacement cost associated with all derivative financial instruments and credit derivatives	11.406.900	8.528.403
Add-on amounts for PFE associated with all derivative financial instruments and credit derivatives	13.687.512	7.724.823
Total risks of derivative financial instruments and credit derivatives	25.094.412	16.253.226
Securities or commodity financing transactions (SCFT)		
Risks from SCFT assets (Excluding the balance sheet)	101.743.019	54.738.885
Risks from brokerage activities related exposures	-	-
Total risks related with securities or commodity financing transactions	101.743.019	54.738.885
Other off-balance sheet transactions		
Gross notional amounts of off-balance sheet transactions	1.495.151.793	702.194.547
(Adjustments for conversion to credit equivalent amounts)	(56.563.248)	(27.990.411)
Total risks of off-balance sheet items	1.438.588.545	674.204.136
Capital and total risks		
Tier 1 capital	367.895.106	225.438.413
Total risks	5.574.575.609	3.163.106.260
Leverage ratio		
Leverage ratio %	6,60	7,12

<sup>(\*)</sup> Three-month average of the amounts in the table are taken into account.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

## 2. An Extract Comparison Table of Total Risks Placed in Consolidated Financial Statements Coordinated in Accordance With TAS

	Current Period <sup>(*)</sup>	Prior Period <sup>(*)</sup>
Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards <sup>(**)</sup>	4.254.505.851	2.553.175.374
The difference between total assets prepared in accordance with Turkish Accounting Standards and total assets in consolidated financial statements prepared in accordance with the communiqué “Preparation of Consolidated Financial Statements”	75.809	53.261
The difference between the amounts of derivative financial instruments and credit derivatives in consolidated financial statements prepared in accordance with the communiqué “Preparation of Consolidated Financial Statements” and risk amounts of such instruments	1.185.091.295	731.715.641
The difference between the amounts of securities or commodity financing transactions in consolidated financial statements prepared in accordance with the communiqué “Preparation of Consolidated Financial Statements” and risk amounts	54.819.391	62.450.262
The difference between the amounts of off-balance items in consolidated financial statements prepared in accordance with the communiqué “Preparation of Consolidated Financial Statements” and risk amounts of such items	56.563.248	27.990.411
Other differences between the amounts in consolidated financial statements prepared in accordance with the communiqué “Preparation of Consolidated Financial Statements” and risk amount of such items	(145.902.254)	(108.660.745)
<b>Total risk amount</b>	<b>5.575.305.999</b>	<b>3.163.106.260</b>

<sup>(\*)</sup> The amounts in the table show 3-month averages.

<sup>(\*\*)</sup> The current year balance of the Consolidated Financial Statements prepared in accordance with paragraph 6 of Article 5 of the Communiqué on Preparation of Consolidated Financial Statements of Banks has been prepared by using the temporary financial statements dated 31 December 2023 of the nonfinancial subsidiaries.

## VIII. EXPLANATIONS ON CONSOLIDATED RISK MANAGEMENT

Notes and explanations prepared in accordance with “the Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks” published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016 are presented in this section.

### 1. Explanations on Risk Management and Risk Weighted Amount

#### 1.1. The Parent Bank’s Risk Management Approach

***How the business model determines the Parent Bank’s risk profile; how it interacts with it (e.g., key risks related to the business model and how each of these risks is reflected on explanations); and how the Parent Bank’s risk profile interacts with the risk appetite approved by the board of director***

While risk appetite determines the Parent Bank’s risk level, risk capacity determines its risk appetite and, therefore, risk profile. Local and international conjuncture is also considered to determine the risk level. Establishment of forward-looking strategies and policies is also considered in this regard. The Parent Bank’s risk level is restricted to the limits consistent with its risk appetite.

Risk limits are determined in accordance with the level of risks that may be assumed by the Parent Bank, its activities, size and complexity of its products and services. The limits are revised and, if needed, updated regularly in line with the developments in market conditions, the Parent Bank’s strategy and risk appetite.

Critical thresholds (signal and limit values) indicating that limits are approached due to internal or external developments have been identified. In the event that these values are approached or exceeded, relevant units take required actions.

Parameters regarding signal and limit structure as well as limit values of parameters are determined in coordination with the relevant units and implemented upon approval of the Audit Commission and Board of Directors.

Risk weighted asset-based signal and limit values are regularly monitored by the Parent Bank Risk Management Department, and actual values are reported periodically to the Parent Bank Senior Management.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

***Risk management structure: Responsibilities distributed at The Parent Bank (e.g., supervision and delegation of authority); segregation of duties by risk type, business unit, etc.; relations between structures included in risk management processes (e.g., board of directors, top management, separate risk committee, risk management unit, compliance and internal audit function)***

The Parent Bank's Top Management and relevant units perform their risk management duties, authorities and responsibilities in line with the relevant legal legislation and internal Bank regulations.

Structure of the Parent Bank's risk management is compliance with the Regulation on Internal Systems and Internal Capital Adequacy Assessment Processes of Banks. Accordingly, internal system units consisting of the Inspection Board, the Internal Audit Department, the Compliance Department, and the Risk Management Department, report to the Audit Committee and the Board of Directors through the Head of Group responsible for internal systems, which operates separately from the executive units.

Risk measurement and monitoring activities are conducted as part of risk management and the results are considered in strategic decision-making process by relevant units and bodies. Risk management operations are conducted in accordance with the Regulation on the Internal Systems and Internal Capital Adequacy Assessment Processes of Banks, issued by the BRSA, within the scope of Regulation on Risk Management, Stress Test Program and the Parent Bank's Internal Capital Adequacy Assessment Process ("ICAAP") approved by the Parent Bank's Board of Directors.

Organizational structure of the Parent Bank's Risk Management Department consists of credit risk management, market risk management, operational risk management, balance sheet risks management and Credit Risk Control Unit (KRKB) and validation unit services. Duties of risk management:

- Ensuring identification, measurement, reporting, monitoring, and control of risks exposed through policies, practices and limits established to monitor, control and revise, when necessary, the risk-return structure of the Parent Bank's cash flows in the future, quality, and level of its associated activities
- Preparing ICAAP reports periodically.
- Conducting stress tests and scenario analyses
- Establishing and maintaining a system that will ensure determination of capital required to cover significant risks that are or may be exposed and the evaluation of the level of capital adequacy/requirement in line with strategic objectives
- Developing internal models of our Bank's Probability of Default (PD), Loss at Default (THK) Default Amount (TT) within the scope of TFRS 9 expected credit risk loss calculation, monitoring their performance, developing scenario-based macroeconomic models of parameters regarding future expectations
- Ensuring the accuracy, consistency and adequacy of the analytical models and processes used in decision-making processes and to evaluate their performance and to report the results at regular intervals

The analyzes and studies carried out at ICAAP, including the validation studies, are examined by the Inspection Board and an Analysis Report is prepared regarding the results

***Channels used for disseminating and implementing risk culture within The Bank (e.g., codes of conduct, manuals including operational limits or procedures to be performed when risk thresholds are exceeded, procedures for identifying and sharing risk issues between business units and risk units)***

The Parent Bank exercises maximum efforts to perceive both risks and returns accurately during its activities and maintain its perspective for disseminating risk culture across the Parent Bank. Accordingly, goals, vision and strategic approaches are shared in large group meetings held by the Parent Bank's Top Management with employees.

Signal and limit structure established based on risk weighted assets is one of the channels used to disseminate risk culture within the Parent Bank. Parameters for signal and limit structure and limit values of parameters are determined by risk management by consulting the relevant units and approved by the Board of Directors.

It is ensured that risk signal and limit structure is forwarded to relevant units in the Parent Bank and the structure is understood by the staff. Utilization levels for signal and risk parameters are reported submitted to the Parent Bank's Top Management.



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If limits are exceeded, the Parent Bank's Top Management is notified. In such a case, matters such as risk mitigation, risk transfer or risk-averse, increasing collaterals and similar issues can be considered as part of required actions. If limits are exceeded, forward-looking strategies and policies of the Parent Bank - including budget figures - can be reviewed or, where necessary, revised.

Another channel used to disseminate the risk culture is in the scope of ICAAP activities. It is essential to include assessment results for capital adequacy in the ICAAP Report covering all significant risks of The Parent Bank. The report is prepared in coordination with risk management and with participation from other relevant units. Similarly, the Parent Bank's budget goals for the upcoming years are also established with the participation of relevant units. The Parent Bank's Top Management and relevant units conduct their ICAAP duties, authorities and responsibilities in line with the Parent Bank regulations and relevant legal legislation.

### ***Principal elements and scope of risk measurement system***

The Parent Bank's risk measurement system functions in line with the best practices, legal regulations, fields of activity and product ranges in a consistent, reliable and integrated way. Regarding the inclusion of risk measurement results in decision-making processes, reports are elaborated with extensive explanations and assumptions to avoid any misinterpretation that may arise from errors and deficiencies.

Required activities are performed to engage in design, selection, implementation and pre-approval processes for risk measurement models; review accuracy, reliability and performance of models regularly through various methodologies and make required revisions; accordingly, and report results of analyses conducted with such models.

The Parent Bank's capital adequacy ratio is calculated in accordance with the Communiqué on Measurement and Assessment of Capital Adequacy of Banks, Communiqué on Credit Risk Mitigation Techniques and other relevant legal regulations.

Counter parties/operations related to the credit risk are separated on the basis of risk classes mentioned in Appendix-1 of the Communiqué on Measurement and Assessment of Capital Adequacy of Banks, and each of them is assigned by the weight of risk in line with the matters specified for relevant risk class. Then, they are subject to risk mitigation in accordance with the principles of Communiqué on Credit Risk Mitigation Techniques and weighted based on the risk weights.

After deduction of expected loss provisions for the loans for the stage 3 in accordance with Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves, non-cash loans and commitments are included in the calculation of credit-risk-weighted amount with loan conversion rates presented in article 5 of Communiqué on Measurement and Assessment of Capital Adequacy of Banks.

Trading accounts and the values deducted from the capital base in the shareholders' equity computation are excluded from calculation of credit risk-weighted assets.

Calculations regarding to the counter party credit risk are made for repurchase agreement and derivative transactions. These transactions are added to the calculations after applying the rates presented in the amendments of the Communiqué on Measurement and Assessment of Capital Adequacy of Banks and Communiqué on Credit Risk Mitigation Techniques.

Calculations regarding counter parties credit risks are made with the basic financial collateral method and extensive collateral method for banking accounts and trading accounts respectively.

The amount subject to the total market risk is calculated through the standard method. Furthermore, value at risk forecasts is made on a daily basis and backward testing is performed so as to measure performance of the model.

Liquidity Coverage Ratio and Liquidity Risk Analysis reports for the liquidity risk are prepared in accordance with the relevant regulations. Furthermore, stress test is performed to assess maturity mismatch between sources and uses, contractual maturities as well as behavioural maturities of assets and liabilities, the Parent Bank's liquidity requirement in a worst-case scenario and relevant damages that may be incurred based on scenario and sensitivity analysis activities.

Control of interest rate risk on banking accounts entails monitoring rate and maturity mismatch between sources and uses of fixed and variable interest rates, contractual maturities as well as behavioural maturities assets and liabilities and the effects of the usual and unusual changes in interest rates which is possibly uptrend and downtrend.

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## ***Explanations provided to the Board of Directors and Top Management on risk reporting processes, particularly scope and main contents of reporting***

It is essential to inform the Top Management about developments and results of the analysis and activities conducted in order to achieve efficiency in risk management. Accordingly, a reporting system for informing Top Management is established and required measures are taken for healthy functioning of the system.

Informing process as part of reporting should be based on the most current data available on a periodical basis. Reports issued contain, at minimum, information on risk amount and development, legal capital requirement, legal ratios for liquidity and interest rate risks, stress test analysis results, effect of such results on capital adequacy level and ratios, realization level of risk limits and limitations, and assumptions of risk measurement method used.

As part of the reporting system, an information systems infrastructure is established for external reporting and required actions are taken to fulfill legal obligations fully in a timely manner in this regard.

## ***Explanations on stress test (e.g., assets subject to stress test, scenarios applied, methodologies used and the use of stress test in risk management)***

Stress test is intended to pre-assess the effect of negative developments in specified risk factors on amounts subject to risk and capital adequacy/requirement level.

Conducting the stress test periodically is essential, and test result must be included in internal reporting and considered in strategic decision-making process or capital management. Results of stress test analysis are considered while establishing risk management policies.

In stress test activities, shock is applied to risk factors determined (factors specific to debtor or transaction or macroeconomic variables such as exchange rate, price, interest and so on), and the effects of results on risk-weighted asset amount and capital adequacy ratio are identified. Accordingly, risk factors are identified first and then assumptions to be implemented are determined and possible losses in the future are estimated. Stress test activities include creating scenarios, which are unlikely, if not impossible, and which may affect the Parent Bank's risk level significantly.

The results of stress test are subject to internal Bank reporting and ICAAP Report. The results of stress test may be used in processes to determine the Parent Bank's risk appetite or risk limits and identify new and current business strategies as a planning instrument and their effect on capital utilization.

Analyses of credit risk based on internal and external risk factors, counter party credit risk, liquidity risk, interest rate risk, operational risk and market risk are conducted in the case of stress tests which are subject to internal reporting.

The Board of Directors is responsible for assessing the results of the Stress Test Program and taking actions based on the results. Accordingly, actions such as revision of risk appetite, strategy and risk limits or restriction of activities to specific sectors or portfolios can be taken.

## ***The Parent Bank's risk management, aversion and mitigation strategies and processes based on business model and monitoring processes for continuous efficiency of safeguards and mitigants***

Amounts subject to credit risk can be mitigated by using one or more risk mitigation techniques in line with the legal regulations.

Funded or unfunded credit safeguard instruments are considered while using the risk mitigation technique. Whether credit safeguard instruments meet minimum compulsory conditions specified in legal regulations is checked via the system.

The Parent Bank performs risk mitigation through simple financial method. Credibility of guarantors are monitored and assessed in the scope of credit revision maturity.

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All Bank employees are responsible for control and mitigation of operational risks based on their job definitions and business processes. All Bank units are obliged to take risk mitigation measures for mitigation of operational risks that may occur in their respective fields of activity through insurance and other risk transfer mechanisms.

The Parent Bank’s market risk is mitigated through derivatives or other financial products by considering current conjuncture and risk appetite, risk capacity and risk level. Long term liabilities are obtained and the interest rate risk arising from liquidity and banking accounts is limited through the transactions performed.

Diversification of fund is deemed important for managing the liquidity risk that may occur. While the Parent Bank’s main funding sources are deposits, the strategy of preserving the granular structure of deposits is sustained. Besides, in order to increase the diversification of funds and decrease the maturity gap between assets and liabilities, non-deposit funds such as bond/bill issuances, repo transactions and funds borrowed are executed as for the asset side of the Parent Bank, policies are pursued as part of measures to improve short term cash cycle and minimize maturity mismatch between assets and liabilities. As part of management of interest rate risk, measures are taken to reduce repricing maturity mismatch of interest sensitive assets and liabilities.

### Overview of Risk Weighted Amounts

	Risk Weighted Amount		Minimum capital Requirement
	Current Period	Prior Period	Current Period
1 Credit Risk (excluding counterparty credit risk)	2.186.838.040	1.419.608.937	174.947.043
2 Standardized approach	2.186.838.040	1.419.608.937	174.947.043
3 Internal rating-based approach	-	-	-
4 Counterparty credit risk	36.936.387	27.959.366	2.954.911
5 Standardized approach for counterparty credit risk	36.936.387	27.959.366	2.954.911
6 Internal model method	-	-	-
7 Basic risk weight approach to internal model’s equity position in the banking account	-	-	-
8 Investments made in collective investment companies-look through approach	-	-	-
9 Investments made in collective investment companies-mandate-based approach	1.124.974	2.300.996	89.998
10 Investments made in collective investment companies-1250% weighted risk approach	-	-	-
11 Settlement risk	-	-	-
12 Securitization positions in banking accounts	-	-	-
13 IRB ratings-based approach	-	-	-
14 IRB Supervisory Formula approach	-	-	-
15 SA/simplified supervisory formula approach	-	-	-
16 Market risk	174.370.639	109.408.827	13.949.651
17 Standardized approach	174.370.639	109.408.827	13.949.651
18 Internal model approaches	-	-	-
19 Operational risk	142.750.275	61.756.259	11.420.022
20 Basic Indicator approach	142.750.275	61.756.259	11.420.022
21 Standard approach	-	-	-
22 Advanced measurement approach	-	-	-
23 The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24 Floor adjustment	-	-	-
<b>25 Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>2.542.020.315</b>	<b>1.621.034.385</b>	<b>203.361.625</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Current Period	Carrying values as reported in published financial statements						
	Carrying values as reported in published financial statements (*)	Valued amount according to TAS within legal consolidation (**)	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitization on framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
<b>Assets</b>							
Cash and Balances at Central Bank	608.799.569	608.799.569	608.799.569	-	-	-	-
Banks	70.245.050	70.245.050	70.245.050	-	-	-	-
Receivables from Money Markets	154.140.783	154.140.783	141.151.003	12.989.780	-	-	-
Financial Assets Measured at Fair Value to Profit or Loss	71.715.912	71.715.912	56.927	-	-	71.658.985	-
Financial Assets Measured at Fair Value to Other Comprehensive Income	607.530.470	607.530.470	552.746.454	110.434.227	-	54.784.016	-
Financial Assets Measured at Amortized Cost	348.584.980	348.584.980	348.584.980	9.658.457	-	-	-
Derivative Financial Assets	10.448.631	10.448.631	-	10.448.631	-	-	-
Loans (Net)	2.213.436.373	2.160.777.277	2.214.980.321	-	-	-	75.504
Investments in Associates (Net)	1.295.645	1.295.645	1.295.645	-	-	-	-
Investments in Subsidiaries (Net)	3.685.048	3.685.048	3.685.048	-	-	-	-
Jointly Controlled Partnerships (Joint Ventures) (Net)	1.557.219	1.557.219	1.557.219	-	-	-	-
Receivables Form Leasing Transactions	52.659.096	52.659.096	52.659.096	-	-	-	-
Tangible Assets (Net)	-	-	-	-	-	-	-
Intangible Assets (Net)	60.822.581	60.784.485	59.791.660	-	-	-	992.825
Investment Properties (Net)	4.764.023	4.757.497	-	-	-	-	4.757.497
Tax Asset	1.434.220	1.434.220	1.434.220	-	-	-	-
Non-Currents Assets or Disposal Groups "Held for Sale" And "From Discontinued Operations (Net)	33.534.610	33.534.611	33.534.611	-	-	-	-
Other Assets	6.970.827	6.970.827	6.970.827	-	-	-	-
<b>Total Assets</b>	<b>4.254.505.851</b>	<b>4.254.430.042</b>	<b>4.153.001.352</b>	<b>143.531.095</b>	<b>-</b>	<b>126.443.001</b>	<b>5.825.826</b>
<b>Liabilities</b>							
<b>Deposits</b>							
Funds Borrowed	3.299.683.910	3.299.823.847	-	-	-	-	-
Money Markets	210.521.065	210.521.065	-	60.723.379	-	-	-
Securities Issued (Net)	94.300.909	94.300.909	-	94.300.909	-	-	-
Funds	66.567.754	66.567.754	-	-	-	-	-
Derivative Financial Liabilities	103.158	24.055	-	-	-	-	-
Factoring Liabilities	3.670.072	3.670.072	-	-	-	-	-
Other Liabilities	-	-	-	-	-	-	-
Factoring Liabilities	110.159.314	109.898.995	-	-	-	-	-
Provisions	4.787.118	4.787.118	-	-	-	-	-
Tax Liability	38.473.447	38.473.447	-	-	-	-	-
Non-Currents Liabilities or Disposal Groups "Held For Sale" And "From Discontinued Operations (Net)	12.304.472	12.304.472	-	-	-	-	-
Subordinated Debt Instruments	-	-	-	-	-	-	-
Equity	51.072.217	51.072.217	-	-	-	-	-
Cash and Balances at Central Bank	362.862.415	362.986.091	-	-	-	-	-
<b>Total Liabilities</b>	<b>4.254.505.851</b>	<b>4.254.430.042</b>	<b>-</b>	<b>155.024.288</b>	<b>-</b>	<b>-</b>	<b>-</b>

(\*) Financial statements prepared in accordance with the sixth paragraph of the fifth article of the "Communiqué on the Preparation of Banks' Consolidated Financial Statements" have been used.

(\*\*) Represents the consolidated financial statements of the Bank.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 2. Connections Between Financial Statements and the Risk Amounts

### Differences Between Accounting Consolidation and Legal Consolidation and Matching of the Subject

Prior Period	Carrying values as reported in published financial statements							Not subject to capital requirements or subject to deduction from capital
	Carrying values as reported in published financial statements <sup>(*)</sup>	Valued amount according to TAS within legal consolidation <sup>(**)</sup>	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitization on framework	Subject to the market risk framework		
<b>Assets</b>								
Cash and Balances at Central								
Bank	403.946.747	403.946.747	403.946.747	-	-	-	-	-
Banks	28.641.932	28.641.932	28.641.932	-	-	-	-	-
Receivables from Money Markets	6.282.990	6.282.990	1.167.858	5.115.132	-	-	-	-
Financial Assets Measured at Fair Value to Profit or Loss								
	36.075.116	36.075.116	696.219	-	-	35.378.897	-	-
Financial Assets Measured at Fair Value to Other Comprehensive Income								
	415.499.007	415.499.007	330.237.299	98.062.871	-	85.261.708	-	-
Financial Assets Measured at Amortized Cost								
	165.382.493	165.382.493	165.382.493	22.603.804	-	-	-	-
Derivative Financial Assets	8.860.105	8.860.105	-	8.860.105	-	-	-	-
Loans (Net)	1.392.645.109	1.371.392.988	1.409.848.507	-	-	-	-	24.655
Investments in Associates (Net)	693.755	693.755	693.755	-	-	-	-	-
Investments in Subsidiaries (Net)	1.525.892	1.525.892	1.525.892	-	-	-	-	-
Jointly Controlled Partnerships (Joint Ventures) (Net)								
	1.100.239	1.100.239	1.100.239	-	-	-	-	-
Receivables Form Leasing Transactions								
	21.252.121	21.252.121	21.252.121	-	-	-	-	-
Tangible Assets (Net)								
	-	-	-	-	-	-	-	-
Intangible Assets (Net)	36.857.821	36.835.128	36.680.771	-	-	-	-	154.357
Investment Properties (Net)	2.770.249	2.766.382	-	-	-	-	-	2.766.382
Tax Asset	775.075	775.075	775.075	-	-	-	-	-
Non-Currents Assets or Disposal Groups "Held for Sale" And "From Discontinued Operations (Net)								
	5.930.724	5.930.724	5.930.724	-	-	-	-	-
Other Assets	7.182.481	7.182.481	7.182.481	-	-	-	-	-
<b>Total Assets</b>	<b>17.753.518</b>	<b>38.978.938</b>	<b>38.978.938</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>2.553.175.374</b>	<b>2.553.122.113</b>	<b>2.454.041.051</b>	<b>134.641.912</b>	<b>-</b>	<b>120.640.605</b>	<b>-</b>	<b>2.945.394</b>
<b>Liabilities</b>								
Deposits								
Funds Borrowed								
	1.940.237.158	1.940.309.072	-	-	-	-	-	-
Money Markets	115.412.033	115.412.033	-	1.111.812	-	-	-	-
Securities Issued (Net)	92.618.688	92.618.688	-	92.618.687	-	-	-	-
Funds	31.805.956	31.805.956	-	-	-	-	-	-
Derivative Financial Liabilities	70.337	34.703	-	-	-	-	-	-
Factoring Liabilities	3.159.560	3.159.560	-	-	-	-	-	-
Other Liabilities	-	-	-	-	-	-	-	-
Factoring Liabilities	61.435.895	61.306.135	-	-	-	-	-	-
Provisions	1.850.079	1.850.079	-	-	-	-	-	-
Tax Liability	51.139.130	51.139.130	-	-	-	-	-	-
Non-Currents Liabilities or Disposal Groups "Held For Sale" And "From Discontinued Operations (Net)								
	9.858.291	9.858.291	-	-	-	-	-	-
Subordinated Debt Instruments								
	-	-	-	-	-	-	-	-
Equity	31.546.716	31.546.716	-	-	-	-	-	-
Cash and Balances at Central								
Bank	214.041.531	214.081.750	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>2.553.175.374</b>	<b>2.553.122.113</b>	<b>-</b>	<b>93.730.499</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>(\*)</sup> Financial statements prepared in accordance with the sixth paragraph of the fifth article of the "Communiqué on the Preparation of Banks' Consolidated Financial Statements" have been used.

<sup>(\*\*)</sup> Represents the consolidated financial statements of the Bank.

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*The main sources of the differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements*

Current Period	Total	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the market risk framework
<b>Asset carrying value amount under scope of regulatory consolidation</b>	<b>4.254.430.042</b>	<b>4.153.001.352</b>	<b>143.531.095</b>	<b>126.443.001</b>
Liabilities carrying value amount under regulatory scope of consolidation	-	-	155.024.288	-
<b>Total net amount under regulatory scope of consolidation</b>	<b>4.254.430.042</b>	<b>4.153.001.352</b>	<b>(11.493.193)</b>	<b>126.443.001</b>
Off-balance sheet amounts	2.185.415.720	504.027.480	696.350.442	-
Valuation Differences	-	-	-	-
Differences due to different netting rules, other than those already included in row 2	-	-	-	-
Differences due to consideration of provisions	-	-	-	-
Differences due to prudential filters	-	-	-	-
<b>Amount of Risk</b>	<b>6.439.845.762</b>	<b>4.657.028.832</b>	<b>684.857.249</b>	<b>126.443.001</b>

Prior Period	Total	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the market risk framework
<b>Asset carrying value amount under scope of regulatory consolidation</b>	<b>2.553.122.113</b>	<b>2.454.041.051</b>	<b>134.641.912</b>	<b>120.640.605</b>
Liabilities carrying value amount under regulatory scope of consolidation	-	-	93.730.499	-
<b>Total net amount under regulatory scope of consolidation</b>	<b>2.553.122.113</b>	<b>2.454.041.051</b>	<b>40.911.413</b>	<b>120.640.605</b>
Off-balance sheet amounts	1.074.171.103	313.316.733	403.703.302	-
Valuation Differences	-	-	-	-
Differences due to different netting rules, other than those already included in row 2	-	-	-	-
Differences due to consideration of provisions	-	-	-	-
Differences due to prudential filters	-	-	-	-
<b>Amount of Risk</b>	<b>3.627.293.216</b>	<b>2.767.357.784</b>	<b>444.614.715</b>	<b>120.640.605</b>

### *Explanations on differences between risk amounts and valued amounts in accordance with the Turkish Accounting Standards*

There is no significant difference between financial statement values of assets and liabilities and values included in capital adequacy calculation.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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## 3. Credit Risk Explanations

### 3.1. Transformation of bank's business model into components in credit risk profile

The banks must allocate risk limits approved by board of directors of the banks and monitor limit utilization pursuant to Article 38 of the Regulation on the Internal Systems and Internal Capital Adequacy Assessment Processes of Banks issued by the BRSA and published in the Official Gazette no. 29057 dated 11 July 2014. Furthermore, pursuant to paragraph 5 of the same article, it is expected to establish a signal structure that will serve as an early warning mechanism in addition to the limit structure.

Additionally, principle 5 of the Guideline for Counter Party Credit Risk Management announced to the public by the BRSA with the Agency Decision no. 6827 dated 31 March 2016 States that banks must allocate a limit for counter party credit risk (CCR).

Pursuant to aforementioned regulations, to what extent the Parent Bank gets closer to allocated limits approved by the board of directors or to what extent these levels were exceeded must be monitored by the risk management unit which was structured independent from executive units. This practice that was included in monitoring function of the risk management unit is significant as it presents a legal obligation, and it helps optimization of resource utilization.

In accordance with the changing organizational structure of the Parent Bank, the signal and limit with risk of change in customer segmentation are on corporate, commercial and individual segment basis in accordance with the customer segment structure and are updated according to the changes in the segmentation structure. Signal and limit values for counter party credit risk transactions were determined separately for banking accounts and trading accounts based on portfolio type. Calculations were made based on ratio of risk weighted asset amounts calculated for relevant parameters to total credit and market risk weighted asset amounts and they are reported to the Parent Bank's Top Management periodically through relevant units.

In an attempt to prevent significant effects of unfavorable developments in the portfolio subject to market risk, it is essential to restrict risk level to the limits in line with the Bank's risk appetite. Market risk limits were determined as interest rate risk and currency risk limits. Current values for such limits are calculated daily with market data and reported to the Bank's Top Management through relevant units. Market risk signal and limit values are monitored dynamically in the light of market developments and, if necessary, updated based on the developments in the Bank's strategy and risk appetite.

### 3.2. Criteria and approach adopted for determining credit risk policy and credit risk limits

As part of credit risk management, the Parent Bank's risk management team conducts the functions of identification, measurement, monitoring and controlling of credit risk in line with the structure, size, complexity and growth rate of products and activities and reports the analysis, including stress test, and its results to the Bank's Top Management.

In an attempt to prevent significant effects of unfavourable developments in the portfolio subject to credit risk, credit risk level was restricted to the limits in line with the Parent Bank's risk appetite. The limits are revised and, if needed, updated regularly in line with the developments in market conditions, the Parent Bank's strategy and risk appetite.

There is a signal and limit structure showing that credit risk limits are approached as a result of developments within or outside the Parent Bank. The parameters related to this signal and limit structure and the limit values of the parameters are determined by the risk management by taking the opinions of the relevant units. The approval of the Audit Committee and the Board of Directors is obtained in order for the parameters and signal/limit threshold values to be implemented in the Parent Bank. It is ensured that the risk signal and limit structure in the Bank is communicated to the relevant units and that the relevant personnel there understand the structure, and the realized values are closely monitored by the risk management periodically. Actual values of signal and limit parameters are subject to reports made to the Bank's Senior Management.

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### 3.3. Structure and organization of credit risk management and control function

The Parent Bank's internal system units consist of the Inspection Board, Internal Audit Department, Compliance Department and Risk Management Department. Credit risk management is one of the six services under the Risk Management Department.

Activities conducted at the credit risk management unit, which is subject to inspection and controlling activities periodically, aim to establish and maintain a credit risk management infrastructure that is structured enough to meet legal obligations and flexible enough to accommodate the best practices. Accordingly, capital amount that should be reserved for credit risk is calculated; risk mitigation techniques are implemented; stress tests are conducted; credit risk signal and limit structures are monitored; activities are conducted to calculate credit risk with advanced methods and developments that may affect the Bank's credit risk are monitored. Analyses conducted are reported to the Top Management and relevant units periodically.

### 3.4. Relationship between credit risk management, risk control, legal compliance and internal audit functions

Risk Management Department goes through inspection and control activities periodically. In case of any findings, they are reported and required activities are performed.

In addition, audit and control units are also involved in the ICAAP studies, which constitute an important part of risk management activities. Accordingly, the analyzes and studies carried out at ICAAP are examined by the Inspection Board and an Investigation Report is prepared regarding the results.

The controls on Risk Management Disclosures are carried out within the scope of Risk Management Department activities. Two separate control processes are carried out periodically in the related unit, Capital Adequacy Calculation process and other Risk Management processes control and are carried out within the scope of capital adequacy check points and guide and control points and guidance related to other risk management activities.

All activities, new transactions and products planned by the Parent Bank; compliance with relevant laws, regulations, internal policies and banking practices is controlled. In this context, the compliance of the legislative regulations regarding the Risk Management Disclosures with the intra-bank practices is also checked.

The control activities carried out in the Head Office Units are carried out in accordance with the control periods determined by taking into account the functions and the risks of the units, the duties of the units and their effects on The Parent Bank's balance sheet. The control processes of the Head Office Units are carried out through the control points determined according to the processes, duties and powers of the unit and the control techniques are detailed in the General Directorate Control Manual.

### 3.5. Scope and Main Content for Reporting to Top Management and Board Members on Credit Risk Management Function and Credit Risk Exposed

It is essential to inform the Parent Bank's Top Management about developments in credit risk management and results of the analysis and activities conducted in order to achieve efficiency in risk management. Accordingly, a reporting system for informing the Parent Bank's Top Management on credit risk management is established and required measures are taken for healthy functioning of the system.

Informing process as part of reporting should be based on the most current data available on a periodical basis.

Reports issued contain, at a minimum, information on risk amount and development, legal capital requirement, stress test analysis results, effect of such results on capital adequacy level, actualization level of risk limits and limitations and assumptions of risk measurement method used.



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### 3.6. Credit Quality of Assets

Current Period	Gross amount valued in accordance with TAS included in the financial statements prepared according to legal consolidation		Allowances/ Amortization and impairments	Net values
	Defaulted	Non-defaulted		
Loans	29.930.860	2.260.426.027	76.920.514	2.213.436.373
Debt Securities	-	109.976.466	565.867	109.410.599
Off-balance sheet exposures	6.011.402	1.529.028.663	9.204.333	1.525.835.732
<b>Total</b>	<b>35.942.262</b>	<b>3.899.431.156</b>	<b>86.690.714</b>	<b>3.848.682.704</b>

<sup>(1)</sup> It also includes receivables from lease transactions.

Prior Period	Gross amount valued in accordance with TAS included in the financial statements prepared according to legal consolidation		Allowances/ Amortization and impairments	Net values
	Defaulted	Non-defaulted		
Loans	19.247.953	1.427.751.865	54.354.709	1.392.645.109
Debt Securities	-	502.471.317	14.804.756	487.666.561
Off-balance sheet exposures	1.423.307	690.361.564	9.352.474	682.432.397
<b>Total</b>	<b>20.671.260</b>	<b>2.620.584.746</b>	<b>78.511.939</b>	<b>2.562.744.067</b>

<sup>(1)</sup> It also includes receivables from leasing transactions.

### 3.7. Changes on Defaulted Loans and Debt Securities

	Current Period	Prior Period
<b>1 Defaulted loans and debt securities at end of the previous reporting period</b>	<b>19.247.953</b>	<b>20.206.200</b>
2 Loans and debt securities that have defaulted since the last reporting period	18.204.861	6.927.606
3 Returned to non-defaulted status	(762.998)	(1.082.290)
4 Amounts written off	(587.000)	(885.220)
5 Other changes	(6.171.956)	(5.918.343)
<b>6 Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5) <sup>(1)</sup> definitions (1+2-3-4±5) <sup>(2)</sup></b>	<b>29.930.860</b>	<b>19.247.953</b>

<sup>(1)</sup> Provisions for non-cash loans are not included in the table.

### 3.8. Additional Explanations on Credit Quality of Assets

#### **Differences between definitions and explanations of "deferred" receivables and receivables for which "provision was allocated", and definitions of "deferred" and "provision of allocation", if any**

Group classifies its credits and other receivables and allocates expected loss provisions pursuant to the "Communiqué on Methods and Principles for Determining the Nature of Loans and Other Receivables and Allocation of Provisions" published in the Official Gazette no. 29750 dated 22 June 2016. The term "Deferred Receivables" is used for credits named "Loans under Close Monitoring" whose maturity is deferred for up to 90 days as of the end of period without any impairments as well as for credits named "Non-Performing Loans" whose maturity is deferred for more than 90 days or subject to impairment. In practice, the Group sets expected credit loss provisions for the stage 1 and stage 2 for credits classified as "Standard Credits" and "Under Close Monitoring" and expected loss provisions for the loans for the stage 3 for credits classified as "Non-Performing Loans".

#### **The portion that is not considered within the scope of "allocation of provision" among deferred receivables (over 90 days) and reasons for this practice**

The Parent Bank automatically transfers the loans over 90 days past due to the follow-up accounts in accordance with the provisions of the Regulation on Provisions and allocates the provision for the relevant class.

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## Definitions of methods used for determining provision amount

The Parent Bank sets expected loss provisions for loans and other receivables in accordance with the regulations stated by the Communiqué published on the Official Gazette numbered 29750 and dated 22 June 2016 on "Methods and Principles on Determining the Nature of Loans and Other Receivables and Allocation of Provisions".

## Definitions of restructured receivable

Real/legal persons using credit may, from time to time, face usual risks of business life such as failure to include the excessive cost increases in sales prices, loss of market share and turnover, unexpected expenses, problems in collection of receivables due to some factors that are beyond reasonable control of its own businesses or other businesses worked with. They may therefore have temporary liquidity difficulties. It involves setting new loan repayment maturities in line with cash flows for businesses which have no significant problem in credit worthiness and sustain their income-generating activities but fail, or priorly imply failure, to make their loan repayment in a timely manner due to temporary liquidity problems.

## Breakdown of receivables by geographic regions, sectors, and remaining maturity; receivable amounts subject to allocation of provision by geographic regions and sectors and their respective provisions; amounts removed from the assets

Current Period	Loans and Receivables <sup>(2)</sup>	Non-Performing Loans	Expected Loss Provisions	Total
Domestic	2.141.681.848	24.737.939	71.924.870	2.094.494.917
European Union Countries	17.574.707	611.875	758.149	17.428.433
USA, Canada	109.634	4.534	5.026	109.142
OECD Countries <sup>(1)</sup>	5.857.068	196.330	416.098	5.637.300
Off-Shore Banking Regions	-	-	-	-
Other	42.543.674	4.380.182	3.816.371	43.107.485
<b>Total</b>	<b>2.207.766.931</b>	<b>29.930.860</b>	<b>76.920.514</b>	<b>2.160.777.277</b>

<sup>(1)</sup> OECD countries other than EU countries, USA, and Canada.

<sup>(2)</sup> Receivables from rental transactions are not included.

Prior Period	Loans and Receivables <sup>(2)</sup>	Non-Performing Loans	Expected Loss Provisions	Total
Domestic	1.372.387.748	15.948.383	51.376.238	1.336.959.893
European Union Countries	8.944.291	377.401	398.013	8.923.679
USA, Canada	31.206	4.249	4.364	31.091
OECD Countries <sup>(1)</sup>	3.138.551	136.957	201.293	3.074.215
Off-Shore Banking Regions	-	-	-	-
Other	21.997.948	2.780.963	2.374.801	22.404.110
<b>Total</b>	<b>1.406.499.744</b>	<b>19.247.953</b>	<b>54.354.709</b>	<b>1.371.392.988</b>

<sup>(1)</sup> OECD countries other than EU countries, USA, and Canada.

<sup>(2)</sup> Receivables from rental transactions are not included.

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Current Period	Loans and Receivables <sup>(1)</sup>	Non-Performing Loans	Expected Loss Provisions	Total
Agriculture	529.383.893	865.393	3.148.163	527.101.123
Farming and Stockbreeding	521.774.920	846.936	3.114.101	519.507.755
Forestry	3.904.742	12.317	24.115	3.892.944
Fishing	3.704.231	6.140	9.947	3.700.424
Manufacturing	569.154.394	4.509.107	33.606.125	540.057.376
Mining and Quarrying	39.351.021	36.979	222.335	39.165.665
Production	447.100.446	3.835.786	29.232.513	421.703.719
Electric, Gas and Water	82.702.927	636.342	4.151.277	79.187.992
Construction	196.289.151	9.427.004	14.292.495	191.423.660
Services	410.031.131	7.119.207	14.368.153	402.782.185
Wholesale and Retail Trade	160.814.524	3.085.175	4.177.388	159.722.311
Hotel Food and Beverage Services	39.494.321	892.788	1.625.854	38.761.255
Transportation and Telecommunication	44.152.633	172.401	272.142	44.052.892
Financial Institutions	27.213.828	7.278	106.444	27.114.662
Real Estate and Leasing Services	128.516.064	1.893.422	7.152.525	123.256.961
Self-Employment Services	469.787	140	11.582	458.345
Education Services	2.735.862	988.532	741.821	2.982.573
Health and Social Services	6.634.112	79.471	280.397	6.433.186
Other	502.908.362	8.010.149	11.505.578	499.412.933
<b>Total</b>	<b>2.207.766.931</b>	<b>29.930.860</b>	<b>76.920.514</b>	<b>2.160.777.277</b>

<sup>(1)</sup> Receivables from lease transactions are not included.

Prior Period	Loans and Receivables <sup>(1)</sup>	Non-Performing Loans	Expected Loss Provisions	Total
Agriculture	266.952.007	953.502	2.178.354	265.727.155
Farming and Stockbreeding	263.418.219	938.201	2.153.571	262.202.849
Forestry	2.296.437	9.438	16.150	2.289.725
Fishing	1.237.351	5.863	8.633	1.234.581
Manufacturing	386.853.093	2.934.846	19.464.475	370.323.464
Mining and Quarrying	27.942.273	36.627	321.509	27.657.391
Production	282.825.874	2.642.643	17.067.390	268.401.127
Electric, Gas and Water	76.084.946	255.576	2.075.576	74.264.946
Construction	142.918.310	3.935.665	7.855.861	138.998.114
Services	303.014.976	5.084.000	17.113.040	290.985.936
Wholesale and Retail Trade	118.594.250	3.033.916	4.188.997	117.439.169
Hotel Food and Beverage Services	29.254.230	664.395	3.386.746	26.531.879
Transportation and Telecommunication	44.998.380	188.017	302.233	44.884.164
Financial Institutions	13.742.902	12.718	81.533	13.674.087
Real Estate and Leasing Services	89.677.067	1.112.594	8.478.487	82.311.174
Self-Employment Services	303.236	90	5.521	297.805
Education Services	2.443.587	17.890	194.688	2.266.789
Health and Social Services	4.001.324	54.380	474.835	3.580.869
Other	306.761.358	6.339.940	7.742.979	305.358.319
<b>Total</b>	<b>1.406.499.744</b>	<b>19.247.953</b>	<b>54.354.709</b>	<b>1.371.392.988</b>

<sup>(1)</sup> Receivables from lease transactions are not included.

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## Aging Analysis for Overdue Receivables

Day Past Due	Current Period	Prior Period
1-30 Days	16.390.778	3.246.771
31-60 Days	2.177.151	1.511.192
61-90 Days	1.375.685	834.986
90 +	19.701	82.722
<b>Total</b>	<b>19.963.315</b>	<b>5.675.671</b>

Loans under close monitoring amounting to TL 126.267.691 (31 December 2022: TL 85.779.103) are not overdue.

## Breakdown of restructured receivables by allocation of provision

Out of the Group's total restructured loans amounting to TL 114.228.115, a portion of TL 112.075.051 consists of performing loans and remaining portion of TL 2.153.064 consists of non-performing loans. The total amount of first and second stage expected loss provisions allocated for non-performing loans is TL 37.647.714 and the third stage expected loss provision for non-performing loans is TL 1.015.366. (31 December 2022: Out of the Group's total restructured loans amounting to TL 79.148.706, a portion of TL 77.339.920 consists of performing loans and remaining portion of TL 1.808.786 consists of non-performing loans. Total first and second stage expected loss provision for structured loans is TL 27.166.865 and third stage expected loss provision amount allocated for non-performing loans is TL 1.132.408.)

## 3.9. Credit risk mitigation

### 3.9.1. Qualitative requirements to be disclosed to public regarding credit risk mitigation techniques

#### Basic characteristics of policies and processes on the extent of utilization of on-balance sheet and off-balance sheet netting

The practice of on-balance sheet and off-balance sheet netting is not used while mitigating credit risk within the Group.

## 3.10. Credit risk mitigation techniques - Overview

Current Period	Unsecured receivables: Amount assessed pursuant to TAS	Receivables secured by guarantee	Collateralized portions of collateralized receivables	Receivables protected by financial guarantees	Collateralized portions of receivables protected by financial guarantees	Receivables protected by credit derivatives	Collateralized portions of receivables protected by credit derivatives
Loans <sup>(*)</sup>	1.435.536.333	519.051.595	107.998.209	475.825.912	81.894.470	-	-
Debt Securities	770.081.467	-	-	-	-	-	-
<b>Total</b>	<b>2.205.617.800</b>	<b>519.051.595</b>	<b>107.998.209</b>	<b>475.825.912</b>	<b>81.894.470</b>	<b>-</b>	<b>-</b>
Of which defaulted	26.146.948	1.627.159	659.096	1.612.347	657.651	-	-
Prior Period	Unsecured receivables: Amount assessed pursuant to TAS	Receivables secured by guarantee	Collateralized portions of collateralized receivables	Receivables protected by financial guarantees	Collateralized portions of receivables protected by financial guarantees	Receivables protected by credit derivatives	Collateralized portions of receivables protected by credit derivatives
Loans <sup>(*)</sup>	1.035.241.594	260.882.660	40.724.897	242.015.923	32.956.669	-	-
Debt Securities	437.527.982	-	-	-	-	-	-
<b>Total</b>	<b>1.472.769.576</b>	<b>260.882.660</b>	<b>40.724.897</b>	<b>242.015.923</b>	<b>32.956.669</b>	<b>-</b>	<b>-</b>
Of which defaulted	17.294.355	926.013	217.871	912.025	217.568	-	-

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## 3.11. Credit risk in case of using standard approach

### 3.11.1. Qualitative explanations on ratings used by banks while calculating credit risk with standard approach

#### ***Names of Credit Rating Agencies (CRA) and Export Rating Agencies (ERA) used by The Parent Bank and the reasons in case of any change during the reporting period***

The Parent Bank uses ratings of Fitch Ratings International Rating Agency and Islamic International Rating Agency (IIRA) while calculating the amount subject to credit risk through standard approach. The country risk classification published by the Economic Cooperation and Development Organization (OECD) is taken as basis for the unrated central government and central banks.

#### ***Risk classes using CRA and ERA ratings***

For the risk class received from banks and intermediary institutions, the ratings of the Fitch Ratings International Rating Agency are used for determining the risk weights for the risk classes using a rating grade from the risk classes specified in Article 6 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks. While the international rating score is taken into consideration for the entire risk class receivables from central governments or central banks, the ratings of the Islamic International Rating Agency (IIRA) are used. The country risk classification published by the Organization for Economic Cooperation and Development (OECD) is taken as basis for unclassified central government and central banks. The counterparties residing domestically are accepted as “unrated” and take the risk weight which is appropriate for the “unrated” category in the related risk class.

#### ***Explanation on how credit rating of debtor is used for other assets of debtor in banking accounts***

In order to determine the risk weight of the items subject to issuance or issuer rating among the items included in the banking accounts, the issue rating is first examined, and in the absence of an issue rating, the credit rating of the issuer is taken into account.

#### ***Matching rating grades on the basis of risk***

Rating assigned by a credit rating agency that is not listed in the BRSA's matching table is not used in calculations.

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**3.12. Standard Approach- Loan risk Exposure and the Effects of Loan Risk Reduction Technique**

Current Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk Weighted Amount	Risk Weighted Amount Density
Risk classes						
Exposures to sovereigns and their central banks	1.403.702.712	2.589.471	1.484.364.104	1.184.996	10.417.379	0,7%
Exposures to regional and local governments	6.838.382	237.185	6.318.472	174.019	3.203.656	49,3%
Exposures to administrative bodies and non-commercial entities	32.345.421	5.237.244	32.292.456	2.701.627	34.815.112	99,5%
Exposures to multilateral development banks	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-
Exposures to banks and brokerage houses	229.230.958	31.662.630	230.234.288	18.605.745	62.453.674	25,1%
Exposures to corporates	747.838.609	643.076.348	723.063.503	347.525.708	1.038.634.955	97,0%
Retail exposures	632.369.825	553.297.296	578.879.152	44.298.535	464.609.250	74,6%
Exposures secured by residential property	154.538.279	7.145.757	152.369.899	3.411.007	54.507.857	35,0%
Exposures secured by commercial property	129.548.171	26.629.685	129.548.171	16.949.465	81.534.217	55,7%
Past-due items	5.875.058	-	5.258.982	-	3.626.238	69,0%
Exposures in high-risk categories	199.837.373	2.261.649	199.795.761	1.295.385	340.104.819	169,1%
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	1.079.100	120.127	1.079.100	57.143	1.124.974	99,0%
Other exposures	143.763.401	-	143.763.401	-	119.240.544	82,9%
Equity share investments	3.969.057	-	3.969.057	-	3.969.057	100,0%
<b>Total</b>	<b>3.690.936.346</b>	<b>1.272.257.392</b>	<b>3.690.936.346</b>	<b>436.203.630</b>	<b>2.218.241.732</b>	<b>53,7%</b>

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Prior Period	Exposures before CCF and CRM		Exposures post- CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk Weighted Amount	Risk Weighted Amount Density
Exposures to sovereigns and their central banks	770.756.946	1.786.581	803.030.531	845.160	3.902.691	0,5%
Exposures to regional and local governments	632.524	208.595	594.032	134.406	324.987	44,6%
Exposures to administrative bodies and non-commercial entities	11.812.435	2.580.803	11.807.400	1.210.805	12.981.384	99,7%
Exposures to multilateral development banks	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-
Exposures to banks and brokerage houses	109.387.414	20.479.838	110.027.808	12.044.715	37.509.646	30,7%
Exposures to corporates	583.908.618	358.065.665	571.387.149	196.749.187	743.926.609	96,8%
Retail exposures	340.927.304	180.946.090	321.413.208	22.216.820	257.349.533	74,9%
Exposures secured by residential property	135.466.119	3.622.977	134.849.926	1.641.130	47.767.451	35,0%
Exposures secured by commercial property	95.292.805	11.947.689	95.292.805	7.245.287	58.259.834	56,8%
Past-due items	3.017.826	-	2.800.263	-	1.645.136	58,7%
Exposures in high-risk categories	106.413.038	12.398.539	106.413.033	2.801.183	194.877.693	178,4%
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	2.831.846	123.245	2.830.720	61.577	2.300.996	79,6%
Other exposures	97.913.037	-	97.913.037	-	81.269.638	83,0%
Equity share investments	2.764.260	-	2.764.260	-	2.764.260	100,0%
<b>Total</b>	<b>2.261.124.172</b>	<b>592.160.022</b>	<b>2.261.124.172</b>	<b>244.950.270</b>	<b>1.444.879.858</b>	<b>57,7%</b>

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## 3.13. Standard Approach: Receivables related with Risk Classes and Risk Weights

Current Period Risk Classes/Risk Weight	0%	10%	20%	25%	35% secured by property mortgage	50% secured by property mortgage	50% (*)	75%	100%	150%	250%	Other	Total risk amount (post-CCF and CRM)
Exposures to sovereigns and their central banks	1.473.969.215	-	604.417	-	-	-	1.357.945	-	9.617.523	-	-	-	1.485.549.100
Exposures to regional and local government	86.776	-	34	-	-	-	6.404.063	-	1.618	-	-	-	6.492.491
Exposures to administrative bodies and non-commercial entities	162.851	-	20.149	-	-	-	-	-	34.811.083	-	-	-	34.994.083
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	93.198.648	-	65.653.856	-	-	-	81.320.481	-	8.662.573	-	-	4.475	248.840.033
Exposures to corporates	25.027.194	-	1.723.059	-	-	-	11.097.230	-	1.032.741.728	-	-	-	1.070.589.211
Retail exposures	9.174.584	-	780.790	-	-	-	15.554	595.045.778	18.160.981	-	-	-	623.177.687
Exposures secured by residential property	41.397	-	6.476	-	155.733.033	-	-	-	-	-	-	-	155.780.906
Exposures secured by commercial property	-	-	-	-	-	129.926.839	-	-	16.570.797	-	-	-	146.497.636
Past-due items	1.428	-	-	-	-	-	3.262.633	-	1.994.921	-	-	-	5.258.982
Exposures in high-risk categories	18.778	-	705	-	-	-	705.292	-	71.286	125.544.542	-	74.750.543	201.091.146
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	11.269	-	-	-	-	-	-	-	1.124.974	-	-	-	1.136.243
Equity share investments	-	-	-	-	-	-	-	-	3.969.057	-	-	-	3.969.057
Other exposures	24.522.841	-	20	-	-	-	-	-	119.240.540	-	-	-	143.763.401
<b>Total</b>	<b>1.626.214.981</b>	<b>-</b>	<b>68.789.506</b>	<b>-</b>	<b>155.733.033</b>	<b>129.926.839</b>	<b>104.163.198</b>	<b>595.045.778</b>	<b>1.246.967.081</b>	<b>125.544.542</b>	<b>-</b>	<b>74.755.018</b>	<b>4.127.139.976</b>

(\*) Demonstrates all receivables that are consisting of 50% risk weighted and out of the line "Exposures secured by commercial property".



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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Prior Period	0%		10%		20%		25%		35% secured by property mortgage	50% secured by property mortgage	50% <sup>□</sup>	75%	100%	150%	250%	Other	Total risk amount (post- CCF and CRM)
Risk Classes/Risk Weight																	
Exposures to sovereigns and their central banks	799.456.575	-	143.674	-	-	-	-	-	-	802.971	-	3.472.471	-	-	-	-	803.875.691
Exposures to regional and local government	69.172	-	24.081	-	-	-	-	-	-	630.029	-	5.156	-	-	-	-	728.438
Exposures to administrative bodies and non-commercial entities	36.666	-	194	-	-	-	-	-	-	-	-	12.981.346	-	-	-	-	13.018.206
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	32.892.316	-	29.737.285	-	-	-	-	-	-	55.752.891	-	3.685.656	-	-	-	4.375	122.072.523
Exposures to corporates	9.802.862	-	15.415.580	-	-	-	-	-	-	4.148.803	-	738.769.091	-	-	-	-	768.136.336
Retail exposures	3.845.246	-	645.982	-	-	-	-	-	-	-	327.673.855	11.464.945	-	-	-	-	343.630.028
Exposures secured by residential property	11.189	-	3.352	-	136.476.515	-	-	-	-	-	-	-	-	-	-	-	136.491.056
Exposures secured by commercial property	-	-	-	-	-	-	88.556.516	-	-	-	-	13.981.576	-	-	-	-	102.538.092
Past-due items	283	-	8	-	-	-	-	-	-	2.309.675	-	490.297	-	-	-	-	2.800.263
Exposures in high-risk categories	69.382	-	2.394	-	-	-	-	-	-	13.417	-	483	47.025.373	-	62.103.166	-	109.214.215
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	591.301	-	-	-	-	-	-	-	-	-	-	2.300.996	-	-	-	-	2.892.297
Equity share investments	-	-	-	-	-	-	-	-	-	-	-	2.764.260	-	-	-	-	2.764.260
Other exposures	16.641.300	-	2.624	-	-	-	-	-	-	-	-	81.269.113	-	-	-	-	97.913.037
<b>Total</b>	<b>863.416.292</b>	<b>-</b>	<b>45.975.174</b>	<b>-</b>	<b>136.476.515</b>	<b>-</b>	<b>88.556.516</b>	<b>63.657.786</b>	<b>327.673.855</b>	<b>871.185.389</b>	<b>47.025.373</b>	<b>-</b>	<b>62.107.541</b>	<b>-</b>	<b>62.107.541</b>	<b>-</b>	<b>2.506.074.442</b>

<sup>□</sup>Demonstrates all receivables that are consisting of 50% risk weighted and out of the line "Exposures secured by commercial property".

### 3.14. Credit risk under Internal Ratings-Based (IRB) Approach

Standard approach is used in the Group's credit risk calculations.

### 3.15. Counter Party Credit Risk Explanations

#### *Risk management goals and policies for CCR*

As part of the Parent Bank's counter party credit risk management, the functions of identification, measurement, monitoring and controlling of counter party credit risk are conducted in line with the structure, size, complexity and growth rate of products and activities, and the analysis, including stress test, and its results are reported to the Top Management.

As part of capital adequacy ratio calculations, activities for counter party credit risk are an integral part of planning, monitoring and controlling of total risk profile, and counter party credit risk management is integrated to periodic risk management process.

In the scope of counter party risk management, it is aimed to meet legal obligations and to establish and maintain counter party credit risk management infrastructure that is flexible and structured enough to accommodate the best practices. Accordingly, it is planned to conduct stress test activities, improve counter party credit risk signal and limit structure and conduct relevant monitoring function.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## ***Operational limit allocation method specified in the scope of internal capital calculated for CCR and CCP risk***

Critical thresholds (signal and limit values) indicating that limits are approached due to internal or external developments have been identified. In the event that these values are approached or exceeded, relevant units take required actions.

Parameters for signal and limit structure and limit values of parameters are determined by consulting the relevant units and implemented at The Parent Bank upon approval of the Audit Committee and Board of Directors.

Internal limits are determined by considering the Parent Bank's budget, strategy and expectations for upcoming years, developments in Türkiye and abroad and historical realization of risks.

## ***Policies for establishing guarantee and other risk mitigation and CCR, including CCP risk***

In an attempt to identify the counter party credit risk that the Parent Bank may face, risk measurement and monitoring activities are performed and their results are considered in strategic decision-making process.

Our risk management structure involves activities to ensure that counter party credit risk measurement system functions and is maintained in line with the best practices, legal regulations, fields of activity and product ranges in a consistent, reliable and integrated way.

As part of counter party credit risk management, stress test scenarios were created by anticipating any unfavorable developments in macroeconomic conditions and the Parent Bank's balance sheet. Results of stress test analysis are considered while establishing risk management policies.

The amount subject to the counterparty credit risk is determined by the "Valuation Method According to Fair Value" as of July 1, 2022 within the scope of Article 2 of the "Regulation on the Amendment to the Regulation on the Measurement and Evaluation of Capital Adequacy of Banks" published in the Official Gazette No. 31740 dated February 4, 2022." is calculated with the "Standard Approach" and reported every month. In addition, the capital requirement is calculated for the credit valuation adjustment risk for all derivative transactions.

Additionally, compliance of transactions posing counter party credit risk with thresholds within signal and limit structure is monitored and research is conducted for counter party credit risk calculations with advanced methods.

## ***Rules for countertrend risk***

Boasting a strong lending and collateralization structure, the Parent Bank avoids collateralization in positive correlation with the debtor's credibility and activities in connection with risk mitigation techniques are performed by considering qualitative criteria specified in legal legislation for calculation of amount subject to credit risk.

## ***Amount of additional collateral that the Parent Bank must submit in case of a decline in credit rating***

As the Parent Bank has no transactions in connection with credit rating, there is not any additional collateral amount it must pay.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 3.16. Evaluation of Counterparty Credit Risk in Accordance with the Measurement Methods

Current Period	Replacement Cost	Potential future exposure	EEPE (Effective Expected Positive Exposure) <sup>(*)</sup>	Alpha used for computing regulatory EAD	Exposure at default post CRM	RWA
1 Standardized approach - CCR (for derivatives)	5.870.198	6.824.485		1,4	17.772.556	5.125.843
2 Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)			-	-	-	-
3 Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					178.596.709	25.146.577
4 Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					155.932	6.207
5 Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
<b>6 Total</b>						<b>30.278.627</b>

(\*) Effective expected positive exposure

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Prior Period	Replacement cost	Potential Future exposure	EEPE (Effective Expected Positive Exposure) <sup>(1)</sup>	Alpha used for computing regulatory EAD	Exposure at default post CRM	RWA
1 Standardized approach - CCR (for derivatives)	5.756.111	4.505.752		1,4	14.366.607	4.801.391
2 Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)			-	-	-	-
3 Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					109.813.034	16.592.062
4 Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					4.880.380	1.576.382
5 Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
<b>6 Total</b>						<b>22.969.835</b>

<sup>(1)</sup> Effective expected positive exposure

### 3.17. Capital Requirement for Loan Valuation Adjustments

Current Period	Exposure at default post-CRM	RWA
Total portfolios subject to the Advanced CVA capital charge	-	-
1 (i) Value at Risk (VaR) component (including the 3×multiplier)		-
2 (ii) Stressed VaR component (including the 3×multiplier)		-
3 All portfolios subject to the Standardized CVA capital charge	17.772.556	6.639.053
<b>4 Total subject to the CVA capital charge</b>	<b>17.772.556</b>	<b>6.639.053</b>

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Prior Period	Exposure at default post-CRM	RWA
Total portfolios subject to the Advanced CVA capital charge	-	-
1 (i) Value at Risk (VaR) component (including the 3×multiplier)	-	-
2 (ii) Stressed VaR component (including the 3×multiplier)	-	-
3 All portfolios subject to the Standardized CVA capital charge	14.366.607	4.977.919
<b>4 Total subject to the CVA capital charge</b>	<b>14.366.607</b>	<b>4.977.919</b>

### 3.18. Standardized approach - CCR exposures by regulatory portfolio and risk weights

Current Period Risk Weight/ Regulatory portfolio	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure <sup>(1)</sup>
Receivables from central governments and central banks	12.506.565	-	-	-	-	-	-	-	12.506.565
Receivables from regional and local governments	1.374	-	-	2	-	-	-	-	1.376
Receivables from administration and non-commercial entity	13.309	-	-	-	-	2.061	-	-	15.370
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-
Receivables from institutions	96.060.979	-	42.359.957	38.339.274	-	1.084.845	-	4.475	177.849.530
Corporates	4.508.087	-	-	121.242	-	1.473.831	-	-	6.103.160
Retail portfolios	32.818	-	-	-	20.853	-	-	-	53.671
Other receivables <sup>(2)</sup>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>113.123.132</b>	<b>-</b>	<b>42.359.957</b>	<b>38.460.518</b>	<b>20.853</b>	<b>2.560.737</b>	<b>-</b>	<b>4.475</b>	<b>196.529.672</b>

<sup>(1)</sup> Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM techniques.

<sup>(2)</sup> Other receivables: the amount excludes exposures to "Central counterparty" which are reported in Counterparty credit.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Prior Period Risk Weight/ Regulatory portfolio	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure <sup>(1)</sup>
Receivables from central governments and central banks	37.104.743	-	-	-	-	-	-	-	37.104.743
Receivables from regional and local governments	1.460	-	-	2	-	-	-	-	1.462
Receivables from administration and non-commercial entity	7.902	-	-	-	-	12	-	-	7.914
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-
Receivables from institutions	26.779.827	-	15.535.965	30.535.744	-	173.463	-	4.375	73.029.374
Corporates	3.281.395	-	13.954.511	-	-	1.626.622	-	-	18.862.528
Retail portfolios	53.349	-	-	-	5.026	-	-	-	58.375
Other receivables <sup>(2)</sup>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>67.228.676</b>	<b>-</b>	<b>29.490.476</b>	<b>30.535.746</b>	<b>5.026</b>	<b>1.800.097</b>	<b>-</b>	<b>4.375</b>	<b>129.064.396</b>

<sup>(1)</sup> Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM techniques.

<sup>(2)</sup> Other receivables: the amount excludes exposures to "Central counterparty" which are reported in Counterparty credit.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 3.19. Risk classes and counterparty credit risk explanations (IDB)

None.

### Collaterals for CCR

Current Period	Collateral for derivative transactions				Collateral for other transactions	
	Collateral received		Collateral given		Collateral received	Collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	4.655.621	-
Cash-foreign currency	-	-	-	-	83.781.198	-
Domestic sovereign debts	-	-	-	-	12.988.683	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>101.425.502</b>	-

Prior Period	Collateral for derivative transactions				Collateral for other transactions	
	Collateral received		Collateral given		Collateral received	Collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	594.600	-
Cash-foreign currency	-	-	-	-	45.754.976	-
Domestic sovereign debts	-	-	-	-	5.002.809	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>51.352.385</b>	-

### Credit Derivatives

None.

### Risk Weight changes under CCR on the Internal Modeling Management Methods.

None.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Risks Related with Other Parts of the Center**

<b>Current Period</b>		<b>Exposure at default (postCRM)</b>	<b>RWA</b>
1	<b>Exposure to Qualified Central Counterparties (QCCPs)</b>	<b>935.324</b>	<b>18.707</b>
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-
3	(i) OTC Derivatives	4.475	90
4	(ii) Exchange-traded Derivatives	-	-
5	(iii) Securities financing transactions	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	-
8	Non-segregated initial margin	-	-
9	Pre-funded default fund contributions	930.849	18.617
10	Unfunded default fund contributions	-	-
11	<b>Exposures to non-QCCPs (total)</b>	<b>-</b>	<b>-</b>
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC Derivatives	-	-
14	(ii) Exchange-traded Derivatives	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-
<b>Prior Period</b>		<b>Exposure at default (post CRM)</b>	<b>RWA</b>
1	<b>Exposure to Qualified Central Counterparties (QCCPs)</b>	<b>580.563</b>	<b>11.612</b>
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-
3	(i) OTC Derivatives	4.375	88
4	(ii) Exchange-traded Derivatives	-	-
5	(iii) Securities financing transactions	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	-
8	Non-segregated initial margin	-	-
9	Pre-funded default fund contributions	576.188	11.524
10	Unfunded default fund contributions	-	-
11	<b>Exposures to non-QCCPs (total)</b>	<b>-</b>	<b>-</b>
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC Derivatives	-	-
14	(ii) Exchange-traded Derivatives	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-



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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## **Explanations on Securitization Disclosure**

None.

### **4. Explanations on Market Risk**

#### **4.1. The Parent Bank's process and strategies: A disclosure on the Bank's strategic goals for trading activities is made in a manner that includes processes for identification, measurement, monitoring and controlling of the Parent Bank's market risks, hedging processes and strategies/processes for monitoring continuity of hedging efficiency**

In order to hedge market risk within the framework of financial risk management purposes, the Bank has determined market risk management activities and taken the necessary measures within the scope of the Regulation on the Measurement and Evaluation of Capital Adequacy of Banks and the Regulation on the Internal Systems of Banks and Internal Capital Adequacy Assessment Process.

The Parent Bank's market risk management policy and implementation procedures are determined within the scope of Risk Management, Stress Test Program and İSEDES Regulation approved by the Board of Directors.

The Parent Bank ensures that measurement, monitoring, limiting, stress test and scenario analysis activities are conducted in line with the structure and complexity of its positions for market risk management and their results are reported periodically. Activities sustained are conducted over a trading portfolio specified by the Bank's Treasury Management and other activities subject to market risk.

The amount subject to market risk is calculated and monitored with standard method and advanced measurement method at the Parent Bank. Furthermore, scenario analysis and stress tests are also conducted periodically.

#### **4.2. Organization and structure of market risk management function: Definition of market risk management structure established for implementation of the Parent Bank's strategies and processes as mentioned in line 1) and definition of communication mechanism and relationship between different parties involved in market risk management**

Market risk management is a subunit of Risk Management Department, one of internal systems units established independently from executive units of the Parent Bank.

Market risk management activities are conducted in line with the Regulation on Risk Management, Stress Test Program and ICAAP approved with the Board Decision no. 15/18 dated 28 April 2015 and performed by aiming the best practices in this structure.

The Parent Bank's trading activities and transactions subject to market risk are monitored and measured regularly and required practices are performed for risk management. Required reports on market risk are submitted to relevant units and the Parent Bank's Top Management regularly.

#### **4.3. Structure and scope of risk reporting and/or measurement systems**

The amount subject to the Parent Bank's market risk is calculated on a monthly basis with the standard method and included in the Bank's capital adequacy ratio.

Apart from the standard method, Value at Risk (VaR) estimations are made for trading accounts on a daily basis and reported to relevant units. VaR calculated with Historical Simulation Method is used in daily reporting and limit measurement with a confidence level of 99%. VaR can be calculated with Parametric and Monte Carlo Methods in addition to Historical Simulation Method. Backward testing is performed so as to measure performance of used model and monitor market realization. Also, the Parent Bank performs stress tests and scenario analyses on a daily and monthly basis to observe the effect of excessive market fluctuations that are not covered in the models on the Parent Bank's financial position. Scenario analysis and stress test activities are reviewed and improved regularly in line with the market dynamics.

The market risk exposure is restricted with VaR-based limits (interest rate and currency risk limit) within the context of the Regulation on Risk Management, Stress Test Program and ICAAP. Market risk limits are determined by the Bank's Board of Directors.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

<i>Standard approach</i>	RWA	
	Current Period	Prior Period
<b>Outright products</b>		
1 Interest rate risk (general and specific)	104.408.030	89.603.434
2 Equity risk (general and specific)	26.443.298	11.005.734
3 Foreign exchange risk	43.194.956	8.667.624
4 Commodity risk	324.355	132.035
<b>Options</b>		
5 Simplified approach	-	-
6 Delta-plus method	-	-
7 Scenario approach	-	-
8 Securitization	-	-
9 <b>Total</b>	<b>174.370.639</b>	<b>109.408.827</b>

Standard method is being used by The Parent Bank to calculate the risk of the market.

## 5. Explanations on the Operational Risk

In the Parent Bank, Amount subject to Operational Risk is calculated with Basic Indicator Approach based on yearly. The parameter which determines the amount subject to operational risk in Basic Indicator Approach is gross revenue. Yearly gross revenue is calculated by adding net interest incomes to net fees and commission income, dividend income, trading profit/loss (net) and other operating incomes and by deducting profit/loss gained from sale of securities monitored out of purchase-sale account, extraordinary incomes, operating expense made against support service and amounts compensated from insurance.

Within the scope of the performances for modeling with the Advanced Measurement Approach of operational risk, based on the data in Operational Risk Loss database, Operational Value at Risk (OpVAR) measurements are calculated using Monte Carlo Simulation within the scope of Loss Distribution Method.

Current Period	31.12.2020	31.12.2021	31.12.2022	Total/Number of Positive GI years	Ratio (%)	Total
Gross Income	33.944.773	40.623.802	153.831.865	76.133.480	15	11.420.022
Amount Subject to Operational Risk (Total*12,5)	-	-	-	-	-	142.750.275
Prior Period	31.12.2019	31.12.2020	31.12.2021	Total/Number of Positive GI years	Ratio (%)	Total
Gross Income	24.241.440	33.944.773	40.623.802	32.936.672	15	4.940.501
Amount Subject to Operational Risk (Total*12,5)	-	-	-	-	-	61.756.259

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

### 6. Explanations on the Interest Rate Risk for Banking Book

Banking accounts interest rate risk management strategy policy and implementation procedures are determined within the context of “Regulation on Risk Management, Stress Test Program and the Parent Bank’s Internal Capital Adequacy Assessment Process (“ICAAP”)”.

The Parent Bank performs scenario analysis with measurements that are suitable for structure and complexness of positions related to the market risk management, limiting, scenario analysis and stress test and reports the findings cyclically. The Parent Bank’s perform analysis related to interest rate risks for the entire balance sheet. New products and services are also evaluated from the point of interest rate risk that is originated from banking accounts.

In the risk management, the following methods are followed at minimum level: The follow-up of rate and maturity mismatch between sources and uses of fixed and variable interest rates, the analysis and follow-up of the effects of the usual and unusual changes in interest rates which is possibly uptrend and downtrend on the interest margin and on the current value of assets and liabilities, the analysis and follow-up of contractual maturities as well as behavioural maturities assets and liabilities, monitoring closely of interest margins for provided Turkish Liras and foreign currency, the follow-up of the effects of interest rate changes on Bank’s economic value and capital requirement, the follow-up of potential impacts of valuation methods, the calculation and the determination of the size of interest rate shock in Bank’s internal applications, the follow-up of yield curve risk. Also, in order to limit the impact of interest rate changes on Bank’s financial structure, the interest rate risk limit arising from banking accounts which is approved by the Board of Directors is followed monthly.

Type of Currency -Current Period	Shock Applied (+/- x basis point)	Gains/(Losses)	Gains/Equity- (Losses)/Equity
1.TL	500	(17.034.629)	(4,28%)
2.TL	(400)	17.728.131	4,45%
3. EUR	200	6.148.864	1,55%
4. EUR	(200)	(5.936.875)	(1,49%)
5. USD	200	(20.691.434)	(5,20%)
6. USD	(200)	26.366.928	6,63%
<b>Total (for negative shocks)</b>	-	<b>38.158.184</b>	<b>9,59%</b>
<b>Total (for positive shocks)</b>	-	<b>(31.577.199)</b>	<b>(7,94%)</b>

Type of Currency -Prior Period	Shock Applied (+/- x basis point)	Gains/(Losses)	Gains/Equity- (Losses)/Equity
1.TL	500	(30.350.499)	(12,40%)
2.TL	(400)	32.119.002	13,13%
3. EUR	200	4.919.788	2,01%
4. EUR	(200)	(5.162.601)	(2,11%)
5. USD	200	(9.685.343)	(3,96%)
6. USD	(200)	12.484.036	5,10%
<b>Total (for negative shocks)</b>	-	<b>39.440.437</b>	<b>16,12%</b>
<b>Total (for positive shocks)</b>	-	<b>(35.116.054)</b>	<b>(14,35%)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Notes and explanations prepared in accordance with “the Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks” published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016 are presented in this section. As of 31 December 2023, the following notes to be presented on a quarterly basis according to Communiqué have not been presented due to usage of standard approach for the calculation of capital adequacy by the Bank.

RWA flow statements of market risk exposures under an Internal Model Approach (IMA) RWA flow statements of Counterparty Credit Risk (CCR) exposures under the Internal Model Method (IMM) RWA (Risk Weighted Amounts) flow statements of credit risk exposures under IRB

## IX. EXPLANATIONS ON HEDGING PROCEDURES

Along with the hedging accounting, it is aimed to protect the capital amounts allocated to foreign partnerships in the unconsolidated financial statements of the Bank from the effects of exchange rate risk arising from changes in foreign exchange rates. Within the scope of fair value hedge accounting, the fair value changes of the hedging instrument are recognized in the income statement together with the fair value changes of the hedged item.

The efficiency test is performed using the “Amount balancing method” (“Dollar off-set method”) to compare the changes in fair value of the hedging instrument and the item subject to financial risk hedging. Efficiency tests are performed at the beginning of hedge accounting and as of reporting periods. According to this method, the change in the value of the hedged item between the date when the hedging relationship started, and the end of each reporting period is compared with the value change in the hedging instrument and the effectiveness ratio of the hedging relationship is calculated.

Hedge accounting is terminated when the hedging instrument expires, realizes, is sold or the effectiveness test is ineffective. If efficiency is restored, hedge accounting can be resumed.

The Parent Bank implements a net investment hedging strategy in order to avoid the exchange rate risk arising from the net investment value of its subsidiary Ziraat Bank International AG, Ziraat Bank BH d.d. and Ziraat Bank Montenegro AD. The deposit in Euro supplied by the bank from the customers has been defined as a “hedging instrument”.

Hedging Instrument	Hedged Item	Risk Exposure	Fair Value Difference of Hedging Instrument	Fair Value Difference of Hedged Items	Ineffective Portion
FC Deposit (EUR)	EUR Capital Amounts Allocated to Foreign Partnerships	Foreign exchange rate risk	(8.016.752)	8.016.752	-

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

## X. EXPLANATIONS ON CONSOLIDATED OPERATING SEGMENTS

Organizational and internal reporting structure of the Group is determined in line with TFRS 8 “Operating Segments”.

The Group has operations in retail banking, corporate and commercial banking, specialized banking, investment banking and international banking areas.

Known as having the most extensive branch network in retail banking sector, the Parent Bank renders services, such as deposits, consumer loans, loans originated from public funds whose risk does not belong to the Parent Bank, pension payments, credit cards, automatic and regular payment, cheques and notes, money transfer order, foreign exchange transactions, ATM, internet banking, mobile banking, safe-deposit box and insurance brokerage services. Moreover, existing banking products are improved, and new banking products are launched in order to increase profitability and benefit from the services undertaken as being a state bank. By “Anahtar” IT system, which is working in a centralized manner, the Parent Bank has the technical infrastructure required by modern banking to meet its clients’ needs.

In the context of corporate and commercial banking, the Group allocates working capital loans, mid-term and long-term investment loans, foreign trade financing loans, letter of credits and guarantees in Turkish Lira and foreign currencies; renders project financing, other corporate finance related services, foreign exchange transactions and banking services to large-scale corporate clients and middle-small scale enterprises.

As the Parent Bank is the main financial institution that meets the financing needs of agricultural sector in Türkiye, it extends agricultural working capital and investment loans from its own sources for crop and animal production, fishery products and agricultural mechanization directly to producers and The Central Union of Turkish Agricultural Credit Cooperatives. Besides, it gives support to entities and enterprises having operations in agricultural sector by acting as an intermediary for loans originated from public funds.

Treasury transactions and international banking activities are conducted by Treasury Management and International Banking Group and, spot and forward TL, foreign currency, precious metal, securities, derivative transactions are executed in local and international organized and over the counter money and capital markets. Also, the Parent Bank’s liquidity and securities portfolio management, deposit and non-deposit funding management activities are being executed. Additionally, the distribution of treasury products to branches and other channels for marketing purposes and the intermediation to the customers’ trade finance are other responsibilities. The Parent Bank acts as an intermediary for sale and purchase of securities, for public offerings as an agency of Ziraat Yatırım Menkul Değerler A.Ş. and for transaction of mutual funds founded by Ziraat Portföy Yönetimi A.Ş. and other portfolio management companies. It also provides custody service for these financial instruments and besides, long term financing from banks and international financial institutions, issuing bonds in local and international markets, managing relationship with correspondent banks so as to diversify its funding base are among the responsibilities of the department.

Besides, the Parent Bank has commission revenue from life, non-life and private pension insurance and other finance institutions by rendering agency services through its branches.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

As of 31 December 2023, explanations on segment reporting as shown on the following page are in line with Communiqué on "Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures".

## 1. Table for Segment Reporting

Current Period	Retail Banking	Corporate/ Commercial Banking	Specialized Banking	Treasury/ Investment Banking	Other	Total
<b>OPERATING INCOME/ EXPENSE</b>						
Interest Income	43.432.030	155.947.711	70.688.762	199.985.155	7.204.017	477.257.675
Interest Expenses	150.834.212	137.880.073	-	42.631.507	5.220.946	336.566.738
<b>Net Interest Income/Expense</b>	<b>(107.402.182)</b>	<b>18.067.638</b>	<b>70.688.762</b>	<b>157.353.648</b>	<b>1.983.071</b>	<b>140.690.937</b>
<b>Net Fees and Commission Income/Expense</b>						
	<b>26.120.684</b>	<b>15.630.830</b>	<b>1.467.608</b>	<b>(13.817.045)</b>	<b>8.106.311</b>	<b>37.508.388</b>
Dividend Income	-	-	-	63.947	-	63.947
Trading Profit/Loss (Net)	-	-	-	20.657.499	854.886	21.512.385
Other Operating Income	98.333	5.478.709	198.019	(17.249.470)	48.518.042	37.043.633
<b>Provision for Expected Loss (-)</b>						
	<b>4.971.805</b>	<b>21.405.744</b>	<b>7.526.144</b>	<b>731</b>	<b>1.395.721</b>	<b>35.300.145</b>
Other Expenses	18.474.783	1.069.805	948.217	-	74.260.369	94.753.174
<b>Net Operating Profit/Loss</b>	<b>(104.629.753)</b>	<b>16.701.628</b>	<b>63.880.028</b>	<b>147.007.848</b>	<b>(16.193.780)</b>	<b>106.765.971</b>
<b>Profit/Loss on Equity Method Applied Subsidiaries</b>						
	-	-	-	205.287	102.500	307.787
Tax Provision	-	-	-	-	(7.533.104)	(7.533.104)
<b>Net Profit/Loss</b>	<b>(104.629.753)</b>	<b>16.701.628</b>	<b>63.880.028</b>	<b>147.213.135</b>	<b>(23.624.384)</b>	<b>99.540.654</b>
<b>SEGMENT ASSETS</b>						
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	71.715.912	-	71.715.912
Banks and Receivables from Money Markets	-	-	-	224.385.832	-	224.385.832
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	607.530.470	-	607.530.470
Loans	322.664.244	1.216.712.548	482.939.430	191.120.151	-	2.213.436.373
Financial Assets Measured at Amortized Cost (Net)	-	-	-	348.584.980	-	348.584.980
Derivative Financial Assets	-	-	-	10.448.631	-	10.448.631
Associates, Subsidiaries and Entities under Common Control	-	-	-	6.537.912	-	6.537.912
Other Assets	659.273	10.430.176	81.634	515.754.137	244.864.712	771.789.932
<b>Total Segment Assets</b>	<b>323.323.517</b>	<b>1.227.142.724</b>	<b>483.021.064</b>	<b>1.976.078.025</b>	<b>244.864.712</b>	<b>4.254.430.042</b>
<b>SEGMENT LIABILITIES</b>						
Deposits	2.056.158.069	985.544.523	-	96.770.781	161.350.474	3.299.823.847
Derivative Financial Liabilities Held for Trading	-	-	-	3.670.072	-	3.670.072
Funds Borrowed	-	-	-	210.521.065	-	210.521.065
Money Markets Borrowing	74.468	4.959.170	-	89.267.271	-	94.300.909
Securities Issued (Net)	-	-	-	66.567.754	-	66.567.754
Provisions	8.402	8.700.757	-	2.160	29.762.128	38.473.447
Other Liabilities	-	-	-	-	178.086.857	178.086.857
Shareholders' Equity	-	-	-	-	362.986.091	362.986.091
<b>Total Segment Liabilities</b>	<b>2.056.240.939</b>	<b>999.204.450</b>	<b>-</b>	<b>466.799.103</b>	<b>732.185.550</b>	<b>4.254.430.042</b>

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Prior Period	Retail Banking	Corporate/ Commercial banking	Specialized Banking	Treasury/ Investment Banking	Other	Total
<b>OPERATING INCOME/ EXPENSE</b>						
Interest Income	27.750.303	73.559.144	23.490.683	117.669.392	928.901	243.398.423
Interest Expenses	44.940.339	34.805.875	-	24.465.170	7.732.920	111.944.304
<b>Net Interest Income/Expense</b>	<b>(17.190.036)</b>	<b>38.753.269</b>	<b>23.490.683</b>	<b>93.204.222</b>	<b>(6.804.019)</b>	<b>131.454.119</b>
<b>Net Fees and Commission Income/Expense</b>	<b>8.755.127</b>	<b>6.966.359</b>	<b>548.543</b>	<b>(4.274.791)</b>	<b>2.677.994</b>	<b>14.673.232</b>
Dividend Income	-	-	-	50.126	-	50.126
Trading Profit/Loss (Net)	-	-	-	3.174.730	334.417	3.509.147
Other Operating Income	67.005	2.669.247	119.277	(11.157.705)	18.515.858	10.213.682
Provision for Expected Loss (-)	5.189.484	21.543.283	5.723.181	539	30.513.003	62.969.490
Other Expenses	5.829.694	897.263	339.504	-	21.427.256	28.493.717
<b>Net Operating Profit/Loss</b>	<b>(19.387.082)</b>	<b>25.948.329</b>	<b>18.095.818</b>	<b>80.996.043</b>	<b>(37.216.009)</b>	<b>68.437.099</b>
<b>Profit/Loss on Equity Method Applied Subsidiaries</b>	-	-	-	163.155	152.590	315.745
Tax Provision	-	-	-	-	(22.139.383)	(22.139.383)
<b>Net Profit/Loss</b>	<b>(19.387.082)</b>	<b>25.948.329</b>	<b>18.095.818</b>	<b>81.159.198</b>	<b>(59.202.802)</b>	<b>46.613.461</b>
<b>SEGMENT ASSETS</b>						
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	36.075.116	-	36.075.116
Banks and Receivables from Money Markets	-	-	-	34.924.922	-	34.924.922
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	415.499.007	-	415.499.007
Loans	226.566.559	837.286.940	243.429.971	85.361.639	-	1.392.645.109
Financial Assets Measured at Amortized Cost (Net)	-	-	-	165.382.493	-	165.382.493
Derivative Financial Assets	-	-	-	8.860.105	-	8.860.105
Associates, Subsidiaries and Entities under Common Control	-	-	-	3.319.886	-	3.319.886
Other Assets	12.446	7.519.566	98.632	366.131.260	122.653.571	496.415.475
<b>Total Segment Assets</b>	<b>226.579.005</b>	<b>844.806.506</b>	<b>243.528.603</b>	<b>1.115.554.428</b>	<b>122.653.571</b>	<b>2.553.122.113</b>
<b>SEGMENT LIABILITIES</b>						
Deposits	1.191.826.877	572.260.417	-	83.145.559	93.076.219	1.940.309.072
Derivative Financial Liabilities Held for Trading	-	-	-	3.159.560	-	3.159.560
Funds Borrowed	-	-	-	115.412.033	-	115.412.033
Money Markets Borrowing	38.795	20.986.065	-	71.593.828	-	92.618.688
Securities Issued (Net)	-	-	-	31.805.956	-	31.805.956
Provisions	5.165	9.145.608	-	8.422	41.979.935	51.139.130
Other Liabilities	-	-	-	-	104.595.924	104.595.924
Shareholders' Equity	-	-	-	-	214.081.750	214.081.750
<b>Total Segment Liabilities</b>	<b>1.191.870.837</b>	<b>602.392.090</b>	<b>-</b>	<b>305.125.358</b>	<b>453.733.828</b>	<b>2.553.122.113</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## XI. EXPLANATIONS ON THE FAIR VALUE REALIZATION OF FINANCIAL ASSETS AND LIABILITIES

### 1. Information Regarding the Fair Value of Financial Assets and Liabilities

Current Period	Book Value	Fair Value
<b>Financial Assets</b>	<b>3.418.326.513</b>	<b>3.273.750.899</b>
Due from Interbank Money Market	154.141.219	152.873.742
Banks	70.291.087	70.169.641
Financial Assets Measured at Fair Value Through Other Comprehensive Income	607.530.470	607.530.470
Financial Assets Measured at Amortised Cost	348.665.946	318.576.489
Loans	2.237.697.791	2.124.600.557
<b>Financial Liabilities</b>	<b>3.789.765.921</b>	<b>3.577.590.321</b>
Payables to Money Markets	94.300.909	94.472.524
Bank Deposits	96.553.181	92.128.110
Other Deposits	3.203.270.666	2.993.700.307
Funds Borrowed from Other Financial Institutions	210.521.065	209.511.263
Issued Marketable Securities	66.567.754	68.988.603
Subordinated Debt Instruments	51.072.217	51.309.385
Miscellaneous Payables	67.480.129	67.480.129
<b>Prior Period</b>	<b>Book Value</b>	<b>Fair Value</b>
<b>Financial Assets</b>	<b>2.041.610.004</b>	<b>1.999.929.279</b>
Due from Interbank Money Market	6.283.112	6.262.457
Banks	28.657.103	28.643.487
Financial Assets Measured at Fair Value Through Other Comprehensive Income	415.499.007	415.499.007
Financial Assets Measured at Amortised Cost	165.423.085	190.575.137
Loans	1.425.747.697	1.358.949.191
<b>Financial Liabilities</b>	<b>2.249.416.542</b>	<b>2.113.236.322</b>
Payables to Money Markets	92.618.688	90.502.684
Bank Deposits	80.482.403	77.599.288
Other Deposits	1.859.826.669	1.738.516.832
Funds Borrowed from Other Financial Institutions	115.412.033	105.159.022
Issued Marketable Securities	31.805.956	32.187.703
Subordinated Debt Instruments	31.546.716	31.546.716
Miscellaneous Payables	37.724.077	37.724.077

In determination of book and fair value of available-for-sale securities, market prices are taken into consideration. If these securities are not traded in an active market, the indicator prices calculated by CBRT are taken into account.

The fair value of held to maturity financial assets is calculated by considering market prices. In cases where these prices cannot be determined, the fair value is assessed on the basis of market prices quoted for securities that have the same attributes in terms of interest, maturity and other terms.



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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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## 2. Information on Fair Value Measurements Recognized in the Financial Statement

According to TFRS 7 "Financial Instruments: Explanations" Standard, the accounts recognized with the fair value in the balance sheet should be presented and classified sequentially in the related notes. Respectively, such financial instruments are classified in three levels representing the importance of the data used during for the measurement of fair values. At level one, the financial instruments whose fair values are determined with the recorded prices in the active markets for the assets and liabilities with identical fair values; at level two, the financial instruments whose fair value is based on the directly or indirectly observable market indicators and at level three; the financial instruments whose fair value is not based on the directly or indirectly observable market indicators are considered. The financial instruments which are recognized with their fair values at the Bank's balance sheet, are presented with respect to such basis of classification in the table below.

Current Period	Level 1	Level 2	Level 3	Total
<b>Financial Assets at Fair Value Through Profit or (Loss)</b>	<b>7.033.074</b>	<b>64.682.838</b>	-	<b>71.715.912</b>
Government Debt Securities	4.858.874	53.502.085	-	58.360.959
Marketable Securities	192.889	-	-	192.889
Other Marketable Securities	1.981.311	11.180.753	-	13.162.064
<b>Financial Assets at Fair Value Through Other Comprehensive Income (Net)</b>	<b>599.973.247</b>	<b>5.024.108</b>	<b>2.323.230</b>	<b>607.320.585</b>
Government Debt Securities	599.333.560	3.616.542	-	602.950.102
Marketable Securities	13.664	-	2.323.230	2.336.894
Other Marketable Securities	626.023	1.407.566	-	2.033.589
<b>Derivative Financial Assets</b>	-	<b>10.448.631</b>	-	<b>10.448.631</b>
<b>Subsidiaries and Joint Ventures</b>	-	-	<b>5.242.267</b>	<b>5.242.267</b>
<b>Total Assets</b>	<b>607.006.321</b>	<b>80.155.577</b>	<b>7.565.497</b>	<b>694.727.395</b>
Derivative Financial Liabilities	-	3.670.072	-	3.670.072
<b>Total Liabilities</b>	-	<b>3.670.072</b>	-	<b>3.670.072</b>
<b>Prior Period</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets at Fair Value Through Profit or (Loss)</b>	<b>1.003.567</b>	<b>35.071.549</b>	-	<b>36.075.116</b>
Government Debt Securities	40.116	30.004.937	-	30.045.053
Marketable Securities	98.791	-	-	98.791
Other Marketable Securities	864.660	5.066.612	-	5.931.272
<b>Financial Assets at Fair Value Through Other Comprehensive Income (Net)</b>	<b>409.485.868</b>	<b>5.036.299</b>	<b>818.896</b>	<b>415.341.063</b>
Government Debt Securities	409.118.353	3.626.618	-	412.744.971
Marketable Securities	10.370	-	818.896	829.266
Other Marketable Securities	357.145	1.409.681	-	1.766.826
<b>Derivative Financial Assets</b>	-	<b>8.860.105</b>	-	<b>8.860.105</b>
<b>Subsidiaries and Joint Ventures</b>	-	-	<b>2.626.131</b>	<b>2.626.131</b>
<b>Total Assets</b>	<b>410.489.435</b>	<b>48.967.953</b>	<b>3.445.027</b>	<b>462.902.415</b>
Derivative Financial Liabilities	-	3.159.560	-	3.159.560
<b>Total Liabilities</b>	-	<b>3.159.560</b>	-	<b>3.159.560</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

The movement of financial assets in Level 3 is presented below:

	Current Period	Prior Period
<b>Balances at Beginning of Period</b>	<b>3.445.027</b>	<b>1.577.278</b>
Purchases	39.500	50.000
Disposals Through Sale/Redemptions	-	(50)
Valuation Effect	4.080.970	1.817.799
Transfers	-	-
<b>Balances at the End of Period</b>	<b>7.565.497</b>	<b>3.445.027</b>

## XII. EXPLANATIONS ON THE ACTIVITIES CARRIED OUT ON BEHALF AND ON ACCOUNT OF OTHER PARTIES

### 1. Transaction, Custody, Management and Consultancy Services of The Group on behalf of Third Parties

The Group acts as an intermediary for purchases and sales of government securities on behalf of real persons and corporate, conducts repo transactions, and provides custody services. The Group does not provide consultancy and management services.

### 2. Transactions with Other Financial Institutions Under Fiduciary Transaction Agreements and Financial Services Rendered to Other Financial Institutions Under the Scope Of Fiduciary Transactions and the Effects of Such Services to the Financial Position of the Parent Bank or the Group

The Parent Bank has no fiduciary transactions.

## SECTION FIVE

### EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS

#### I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS

##### 1. Information related to cash equivalents and the account of the Central Bank of the Republic of Türkiye (the "CBRT")

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	8.052.511	23.193.238	4.845.325	15.300.585
Central Bank of the Republic of Türkiye	163.124.885	411.638.527	29.714.106	353.380.419
Other	748.492	2.069.528	160	737.497
<b>Total</b>	<b>171.925.888</b>	<b>436.901.293</b>	<b>34.559.591</b>	<b>369.418.501</b>

#### *Explanation on reserve requirements*

Banks that are established in Türkiye or performing their operations by opening branches in Türkiye are subject to Communiqué on Required Reserves of Central Bank of the Republic of Türkiye's numbered 2013/15. Based on accounting standards and registration layout for banks the items specified within the Communiqué, except from liabilities to Central Bank, Treasury, Domestic banks, and head offices and branches in Türkiye of the banks established by international agreements, constitute required reserves liabilities.

Banks are required to maintain reserves with Central Bank of the Republic of Türkiye for their TL and FC liabilities that are specified in the aforementioned Communiqué. Establishment of required reserves begins on Friday, two weeks after the liability calculation date, and lasts for 14 days. Required reserves can be kept in Turkish Lira, USD, EUR and standard gold in accordance with the "Communiqué on Required Reserves" at the Central Bank of the Republic of Türkiye. Required reserve ratios vary according to the maturity structure of the liabilities and are applied between 0% and 8% for Turkish Lira deposits and other liabilities, for foreign currency deposits and other liabilities, it is applied in the range of 5% - 30%, and for accounts with exchange rate/price protection support, it is applied in the range of 10% - 30%.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

**Information on the account of the Central Bank of the Republic of Türkiye**

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	123.079.523	68.550.700	29.518.189	45.844.463
Unrestricted Time Deposit	-	43.680.750	-	102.841.750
Restricted Time Deposit	-	-	-	-
Other <sup>(1)</sup>	40.045.362	299.407.077	195.917	204.694.206
<b>Total</b>	<b>163.124.885</b>	<b>411.638.527</b>	<b>29.714.106</b>	<b>353.380.419</b>

<sup>(1)</sup> Includes required reserves and blocked electronic money funds of the Central Bank of the Republic of Turkey in the amount of TL 100.023. Required reserve amounts of TL 1.630.572 for foreign branches are also included. (December 31, 2022: Includes required reserves and blocked electronic money funds of the Central Bank of the Republic of Turkey amounting to TL 17.157. Required reserve amounts of TL 656.479 of foreign branches are also included).

**2. Information on Financial Assets at Fair Value Through Profit and Loss Given or Blocked as Collateral or Subject to Repurchase Agreements**

	Current Period	Prior Period
Assets Subject to Repurchase Agreements	8.632.164	2.234.228
Assets Blocked/Given as Collateral	49.721.746	27.890.664
<b>Total</b>	<b>58.353.910</b>	<b>30.124.892</b>

**3. Positive Differences Statement Regarding Trading Derivative Financial Assets**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	115.017	53.092	155.217	1.318
Swap Transactions	4.872.177	5.197.401	3.103.594	5.508.263
Futures Transactions	-	-	276	-
Options	-	208.262	8.535	82.585
Other	2.143	539	111	206
<b>Total</b>	<b>4.989.337</b>	<b>5.459.294</b>	<b>3.267.733</b>	<b>5.592.372</b>

**4. Information on Bank Account and Foreign Banks****4.1. Information on Bank Balances**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic Banks	415.723	3.122.124	6.260	5.419.112
Foreign Banks	3.070.166	63.683.074	505.684	22.726.047
Foreign Head Office and Branches	-	-	-	-
<b>Total</b>	<b>3.485.889</b>	<b>66.805.198</b>	<b>511.944</b>	<b>28.145.159</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 4.2. Information on Foreign Bank Accounts

	Unrestricted Amount		Restricted Amount <sup>(2)</sup>	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	24.328.769	8.362.946	44.409	1.666.344
USA, Canada	13.728.744	1.807.980	643.454	1.734.996
OECD Countries <sup>(1)</sup>	1.828.479	504.065	-	-
Off-shore Banking Regions	-	-	-	-
Other	26.179.385	8.403.579	-	751.821
<b>Total</b>	<b>66.065.377</b>	<b>19.078.570</b>	<b>687.863</b>	<b>4.153.161</b>

<sup>(1)</sup> OECD countries other than EU countries, USA and Canada.<sup>(2)</sup> It mainly consists of collateral held in various banks for borrowings.

## 5. Explanation Regarding to the Comparison of Net Values of Financial Assets at Fair Value Through Other Comprehensive Income or Blocked as Collateral and Subject to Repurchase Agreements

	Current Period	Prior Period
Assets Subject to Repurchase Agreements	110.555.469	89.010.871
Assets Blocked/Given as Collateral	307.759.863	107.579.099
<b>Total</b>	<b>418.315.332</b>	<b>196.589.970</b>

## 6. Information on Financial Assets at Fair Value Through Other Comprehensive Income

	Current Period	Prior Period
Debt Securities	627.731.753	432.936.720
Quoted at Stock Exchange	626.403.477	432.117.241
Not Quoted in Stock Exchange	1.328.276	819.479
Share Certificates	2.649.444	1.090.010
Quoted at Stock Exchange	4.942	4.771
Not Quoted in Stock Exchange	2.644.502	1.085.239
Provision for Impairment (-)	22.850.727	18.527.723
<b>Total</b>	<b>607.530.470</b>	<b>415.499.007</b>

## 7. Explanations Related to Loans

### 7.1. Information on All Types of Loans and Advances Given to Shareholders and Employees of The Bank

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	-	-	-
Granted loans to Legal Entity partners	-	-	-	-
Granted loans to Individual partners	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees <sup>(1)</sup>	3.267.860	-	1.690.088	-
<b>Total</b>	<b>3.267.860</b>	<b>-</b>	<b>1.690.088</b>	<b>-</b>

<sup>(1)</sup> Since the balance of overdraft accounts related to employees amounting TL 121.780, is showed under Table 7.3. as overdraft accounts (real person), it is not included to the table above (31 December 2022: Since the balance of overdraft accounts related to employees amounting TL 46.746, is showed under Table 7.3. as overdraft accounts (real person), it is not included to the table above).

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 7.2. Information on the First and Second Group Loans and Other Receivables Including Restructured or Rescheduled Loans

Current Period	Loans Under Close Monitoring			
	Standard Loans	Not Under the Scope of Restructuring	Loans Under Restructuring	
			Loans with Revised Contract Terms	Refinancing
<b>Cash Loans</b>				
Non-Specialized Loans	1.585.943.132	35.844.742	4.440.321	98.437.427
Commercial Loans	906.116.675	22.113.843	4.179.320	94.636.248
Export Loans	197.168.455	1.326.977	27.093	3.724.641
Import Loans	41.262	-	-	-
Loans Given to Financial Sector	23.531.207	-	-	-
Consumer Loans	206.317.900	3.833.373	233.517	72.928
Credit Cards	217.199.037	6.935.242	-	3.601
Other	35.568.596	1.635.307	391	9
Specialized Lending <sup>(1)</sup>	475.396.346	7.152.116	14.757	538.090
Other Receivables	-	-	-	-
<b>Total</b>	<b>2.061.339.478</b>	<b>42.996.858</b>	<b>4.455.078</b>	<b>98.975.517</b>

<sup>(1)</sup> Agricultural loans to support farmers are shown in specialized loans.

Prior Period	Loans Under Close Monitoring			
	Standard Loans	Not Under the Scope of Restructuring	Loans Under Restructuring	
			Loans with Revised Contract Terms	Refinancing
<b>Cash Loans</b>				
Non-Specialized Loans	1.073.889.206	14.749.331	3.666.901	69.751.705
Commercial Loans	681.231.454	10.316.229	3.494.876	69.670.634
Export Loans	93.309.923	588.560	20.714	-
Import Loans	68.569	-	-	-
Loans Given to Financial Sector	14.573.478	-	-	-
Consumer Loans	190.505.270	2.551.413	150.803	78.455
Credit Cards	72.506.795	1.105.322	-	881
Other	21.693.717	187.807	508	1.735
Specialized Lending <sup>(1)</sup>	241.155.764	2.312.514	39.894	934.327
Other Receivables	-	-	-	-
<b>Total</b>	<b>1.315.044.970</b>	<b>17.061.936</b>	<b>3.706.807</b>	<b>70.686.031</b>

<sup>(1)</sup> Agricultural loans to support farmers are shown in specialized loans.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
<b>Expected Credit Loss of Stage 1 and Stage 2</b>				
12 Months Expected Credit Losses	11.201.691	-	9.006.539	-
Significant Increase in Credit Risk	-	43.076.857	-	29.473.635

### 7.3. Loans According to Maturity Structure

	Loans under Close Monitoring		
	Standard Loans	Loans Not Subject to Restructuring	Restructured or Rescheduled
<b>Current Period</b>			
Short-term Loans	761.078.391	17.272.385	7.336.951
Medium and Long-term Loans	1.300.261.087	25.724.473	96.093.644
<b>Prior Period</b>			
Short-term Loans	477.483.376	6.243.234	8.066.052
Medium and Long-term Loans	837.561.594	10.818.713	66.326.775

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 7.4. Information on Consumer Loans, Individual Credit Cards and Personnel Loans and Personnel Credit Card

Current Period	Short-Term	Medium and Long-Term	Total
Consumer Loans-TL	7.167.153	188.235.893	195.403.046
Mortgage Loans	8.519	118.753.415	118.761.934
Automotive Loans	360.883	12.342.602	12.703.485
Consumer Loans	6.797.751	57.139.876	63.937.627
Other	-	-	-
Consumer Loans- Indexed to FC	235	507.911	508.146
Mortgage Loans	-	114.244	114.244
Automotive Loans	-	34	34
Consumer Loans	-	192.692	192.692
Other	235	200.941	201.176
Consumer Loans-FC	146.014	5.620.395	5.766.409
Mortgage Loans	761	1.229.408	1.230.169
Automotive Loans	3.602	69.382	72.984
Consumer Loans	15.960	1.482.999	1.498.959
Other	125.691	2.838.606	2.964.297
Retail Credit Cards-TL	109.102.184	1.854.777	110.956.961
With Installment	41.637.877	1.456.893	43.094.770
Without Installment	67.464.307	397.884	67.862.191
Retail Credit Cards-FC	133.258	684	133.942
With Installment	112.735	-	112.735
Without Installment	20.523	684	21.207
Personnel Loans-TL	454.228	1.490.350	1.944.578
Mortgage Loans	-	18.320	18.320
Automotive Loans	-	4.170	4.170
Consumer Loans	454.228	1.467.860	1.922.088
Other	-	-	-
Personnel Loans-Indexed to FC	-	13.396	13.396
Mortgage Loans	-	4.477	4.477
Automotive Loans	-	-	-
Consumer Loans	-	6.287	6.287
Other	-	2.632	2.632
Personnel Loans-FC	3.600	156.507	160.107
Mortgage Loans	-	75.418	75.418
Automotive Loans	-	1.283	1.283
Consumer Loans	3.146	37.488	40.634
Other	454	42.318	42.772
Personnel Credit Cards-TL	1.126.834	18.535	1.145.369
With Installment	435.581	18.535	454.116
Without Installment	691.253	-	691.253
Personnel Credit Cards-FC	4.410	-	4.410
With Installment	4.124	-	4.124
Without Installment	286	-	286
Overdraft Accounts-TL (Real Person)	6.661.843	-	6.661.843
Overdraft Accounts-FC (Real Person)	193	-	193
<b>Total</b>	<b>124.799.952</b>	<b>197.898.448</b>	<b>322.698.400</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Prior Period	Short-Term	Medium and Long-Term	Total
Consumer Loans-TL	3.350.594	183.101.064	186.451.658
Mortgage Loans	23.381	121.127.266	121.150.647
Automotive Loans	104.936	8.536.700	8.641.636
Consumer Loans	3.222.277	53.437.098	56.659.375
Other	-	-	-
Consumer Loans- Indexed to FC	840	438.646	439.486
Mortgage Loans	297	96.824	97.121
Automotive Loans	-	2.837	2.837
Consumer Loans	543	130.397	130.940
Other	-	208.588	208.588
Consumer Loans-FC	93.370	2.625.042	2.718.412
Mortgage Loans	494	567.869	568.363
Automotive Loans	7	16.213	16.220
Consumer Loans	12.166	762.021	774.187
Other	80.703	1.278.939	1.359.642
Retail Credit Cards-TL	31.851.465	442.429	32.293.894
With Installment	11.951.603	390.459	12.342.062
Without Installment	19.899.862	51.970	19.951.832
Retail Credit Cards-FC	70.852	33	70.885
With Installment	66.556	-	66.556
Without Installment	4.296	33	4.329
Personnel Loans-TL	58.674	955.087	1.013.761
Mortgage Loans	-	15.239	15.239
Automotive Loans	-	3.161	3.161
Consumer Loans	58.674	936.687	995.361
Other	-	-	-
Personnel Loans-Indexed to FC	-	16.302	16.302
Mortgage Loans	-	4.889	4.889
Automotive Loans	-	-	-
Consumer Loans	-	1.819	1.819
Other	-	9.594	9.594
Personnel Loans-FC	1.007	74.547	75.554
Mortgage Loans	-	31.302	31.302
Automotive Loans	-	-	-
Consumer Loans	20	17.028	17.048
Other	987	26.217	27.204
Personnel Credit Cards-TL	572.122	9.760	581.882
With Installment	229.608	9.753	239.361
Without Installment	342.514	7	342.521
Personnel Credit Cards-FC	2.589	-	2.589
With Installment	-	-	-
Without Installment	2.589	-	2.589
Overdraft Accounts-TL (Real Person)	2.570.768	-	2.570.768
Overdraft Accounts-FC (Real Person)	-	-	-
<b>Total</b>	<b>38.572.281</b>	<b>187.662.910</b>	<b>226.235.191</b>



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 7.5. Information on Commercial Installment Loans and Corporate Credit Cards

Current Period	Short Term	Medium and Long Term	Total
Installment Based Commercial Loans- TL	3.813.629	96.724.151	100.537.780
Mortgage Loans	-	887.747	887.747
Automotive Loans	775.299	2.810.160	3.585.459
Consumer Loans	3.038.330	93.026.244	96.064.574
Other	-	-	-
Installment Based Commercial Loans- Indexed to FC	-	1.232.992	1.232.992
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	1.232.992	1.232.992
Other	-	-	-
Installment Based Commercial Loans - FC	10.190.466	139.366.509	149.556.975
Mortgage Loans	12.283	1.911.454	1.923.737
Automotive Loans	6.909	190.207	197.116
Consumer Loans	8.988.949	131.782.922	140.771.871
Other	1.182.325	5.481.926	6.664.251
Corporate Credit Cards- TL	98.598.994	13.287.697	111.886.691
With Installment	44.453.021	13.227.533	57.680.554
Without Installment	54.145.973	60.164	54.206.137
Corporate Credit Cards-FC	10.507	-	10.507
With Installment	7.595	-	7.595
Without Installment	2.912	-	2.912
Overdraft Account- TL (Legal Entity)	9.957.138	-	9.957.138
Overdraft Account-FC (Legal Entity)	175.890	180.563	356.453
<b>Total <sup>(1)</sup></b>	<b>122.746.624</b>	<b>250.791.912</b>	<b>373.538.536</b>

<sup>(1)</sup> Accrual and rediscount amounts related to loans are included in the table.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Prior Period	Short Term	Medium and Long Term	Total
Installment Based Commercial Loans- TL	5.401.487	71.805.708	77.207.195
Mortgage Loans	22.978	2.335.036	2.358.014
Automotive Loans	1.414.384	4.233.335	5.647.719
Consumer Loans	3.964.125	65.237.337	69.201.462
Other	-	-	-
Installment Based Commercial Loans- Indexed to FC	1.021	1.007.982	1.009.003
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	1.021	1.007.982	1.009.003
Installment Based Commercial Loans - FC	3.916.522	96.335.188	100.251.710
Mortgage Loans	61.613	998.634	1.060.247
Automotive Loans	1.181	629.634	630.815
Consumer Loans	3.353.863	92.814.022	96.167.885
Other	499.865	1.892.898	2.392.763
Corporate Credit Cards- TL	38.124.844	2.438.695	40.563.539
With Installment	18.029.419	2.431.975	20.461.394
Without Installment	20.095.425	6.720	20.102.145
Corporate Credit Cards-FC	100.209	-	100.209
With Installment	97.226	-	97.226
Without Installment	2.983	-	2.983
Overdraft Account- TL (Legal Entity)	3.955.706	-	3.955.706
Overdraft Account-FC (Legal Entity)	-	-	-
<b>Total <sup>(1)</sup></b>	<b>51.499.789</b>	<b>171.587.573</b>	<b>223.087.362</b>

<sup>(1)</sup> Accrual and rediscount amounts related to loans are included in the table.

## 7.6. Loans According to Types of Borrowers

	Current Period	Prior Period
Public	78.333.459	69.354.408
Private	2.129.433.472	1.337.145.336
<b>Total</b>	<b>2.207.766.931</b>	<b>1.406.499.744</b>

## 7.7. Distribution of Domestic and Foreign Loans

	Current Period	Prior Period
Domestic Loans	2.143.776.681	1.373.035.916
Foreign Loans	63.990.250	33.463.828
<b>Total</b>	<b>2.207.766.931</b>	<b>1.406.499.744</b>

## 7.8. Loans Granted to Investments in Associates and Subsidiaries

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	3.560.312	1.595.222
Indirect loans granted to subsidiaries and associates	-	-
<b>Total</b>	<b>3.560.312</b>	<b>1.595.222</b>

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 7.9. Credit-Impaired Losses (Stage III)

	Current Period	Prior Period
Loans and other receivables with limited collectability	8.524.723	2.392.994
Loans and other receivables with doubtful collectability	2.196.710	758.411
Uncollectible loans and other receivables	11.920.533	12.723.130
<b>Total</b>	<b>22.641.966</b>	<b>15.874.535</b>

## 7.10. Information on Non-Performing Loans (Net)

### 7.10.1. Information on Non-Performing Loans Restructured or Rescheduled and Other Receivables

	Group III	Group IV	Group V
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
<b>Current Period</b>			
Gross amounts before the provisions	255.160	1.016.908	880.997
Restructured Loans	255.160	1.016.908	880.997
<b>Prior Period</b>			
Gross amounts before the provisions	202.952	168.225	1.437.609
Restructured Loans	202.952	168.225	1.437.609

### 7.10.2. Information on The Movement of Total Non-performing Loans

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
<b>Prior Period Ending Balance</b>	<b>3.653.353</b>	<b>1.390.128</b>	<b>14.204.472</b>
Additions (+)	14.797.867	1.423.478	1.983.516
Transfers from Other Categories of Loans under Follow-Up (+)	-	5.442.678	2.856.033
Transfers to Other Categories of Loans under Follow-Up (-)	5.442.678	2.856.033	-
Collections (-) <sup>(1)</sup>	1.689.381	1.293.390	3.952.183
Write-offs (-) <sup>(2)</sup>	286	1.302	585.412
Sold (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
<b>Current Period End Balance</b>	<b>11.318.875</b>	<b>4.105.559</b>	<b>14.506.426</b>
Provision (-)	8.524.723	2.196.710	11.920.533
<b>Net Balance on Balance Sheet</b>	<b>2.794.152</b>	<b>1.908.849</b>	<b>2.585.893</b>

<sup>(1)</sup> Includes transfers to first and second group loans amounting to TL 762.998.<sup>(2)</sup> As of 31 December 2023, there is a written-off loan amounting to TL 587.000 (31 December 2022: TL 866.204). When the calculation is made by taking into account the loans written off, the effect of the Group on the NPL and NPL ratio is 3 basis points.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 7.10.3. Information on Non-performing Loans Granted as Foreign Currency Loans

	Group III Loans with limited collectibility	Group IV Loans with doubtful collectibility	Group V Uncollectible loans
<b>Current Period</b>			
<b>Period Ending Balance</b>	<b>8.063.637</b>	<b>2.396.909</b>	<b>4.512.562</b>
Provision (-)	4.735.117	1.358.582	4.053.016
<b>Net Balance on Balance Sheet</b>	<b>3.328.520</b>	<b>1.038.327</b>	<b>459.546</b>
<b>Prior Period:</b>			
<b>Period Ending Balance</b>	<b>2.680.553</b>	<b>330.011</b>	<b>3.784.489</b>
Provision (-)	1.731.079	218.945	3.721.795
<b>Net Balance on Balance Sheet</b>	<b>949.474</b>	<b>111.066</b>	<b>62.694</b>

## 7.10.4. Breakdown of Non-performing Loans According to Their Gross and Net Values

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
<b>Current Period (Net)</b>			
Loans to Real Persons and Legal Entities (Gross)	11.318.875	4.105.559	14.321.011
Provisions (-)	8.524.723	2.196.710	11.735.118
Loans to Real Persons and Legal Entities (Net)	2.794.152	1.908.849	2.585.893
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	185.415
Provisions (-)	-	-	185.415
Other Loans (Net)	-	-	-
<b>Prior Period (Net)</b>	<b>1.260.359</b>	<b>631.717</b>	<b>1.481.342</b>
Loans to Real Persons and Legal Entities (Gross)	3.653.353	1.390.128	14.044.172
Provisions (-)	2.392.994	758.411	12.562.830
Loans to Real Persons and Legal Entities (Net)	1.260.359	631.717	1.481.342
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	160.300
Provisions (-)	-	-	160.300
Other Loans (Net)	-	-	-

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 7.10.5. Information on Interest Accruals, Rediscount and Valuation Effect and Their Provisions Calculated for Non-Performing Loans Banks which Provide Expected Credit Loss According to TFRS 9

	Group III	Group IV	Group V
	Loans with Limited Collectibility	Loans with Doubtful Collectibility	Uncollectible Loans
<b>Current Period (Net)</b>	<b>82.280</b>	<b>64.362</b>	<b>114.823</b>
Interest Accruals and Valuation Differences	651.213	133.832	775.473
Provisions (-)	568.933	69.470	660.650
<b>Prior Period (Net)</b>	<b>35.364</b>	<b>25.458</b>	<b>78.302</b>
Interest Accruals and Valuation Differences	116.325	68.001	879.607
Provisions (-)	80.961	42.543	801.305

## 7.11. Information on Expected Credit Loss

Current Period	Stage 1	Stage 2	Stage 3	Total
<b>Balance at Beginning of the Period</b>	<b>9.006.539</b>	<b>29.473.635</b>	<b>15.874.535</b>	<b>54.354.709</b>
Additions during the Period*	3.680.444	16.523.784	8.358.220	28.562.448
Disposals (-)	(1.736.479)	(792.452)	(2.902.324)	(5.431.255)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	(565.388)	(565.388)
Transfer to Stage1	986.397	(799.577)	(186.820)	-
Transfer to Stage 2	(721.584)	911.983	(190.399)	-
Transfer to Stage 3	(13.626)	(2.240.516)	2.254.142	-
<b>Balance at End of Period</b>	<b>11.201.691</b>	<b>43.076.857</b>	<b>22.641.966</b>	<b>76.920.514</b>

\* Also includes exchange rate differences

Prior Period	Stage 1	Stage 2	Stage 3	Total
<b>Balances at Beginning of the Period</b>	<b>2.660.108</b>	<b>14.991.813</b>	<b>15.272.896</b>	<b>32.924.817</b>
Additions during the Period*	6.369.274	14.559.715	3.690.531	24.619.520
Disposals (-)	(133.321)	(731.398)	(1.439.689)	(2.304.408)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	(885.220)	(885.220)
Transfer to Stage1	388.725	(164.756)	(223.969)	-
Transfer to Stage 2	(240.936)	873.613	(632.677)	-
Transfer to Stage 3	(37.311)	(55.352)	92.663	-
<b>Balance at End of Period</b>	<b>9.006.539</b>	<b>29.473.635</b>	<b>15.874.535</b>	<b>54.354.709</b>

\* Also includes exchange rate differences

## 7.12. Information on Liquidating Policy of Uncollectible Loans and Other Receivables

Execution proceedings are carried out for the collection of receivables from loan services of the Parent Bank's. During this process, tangible guarantees constituting guarantees of receivables of the Parent Bank and assets of the debtor(s) are realized while receivables of the Parent Bank are also tried to be collected and liquidated by means of administrative procedures. Transactions are performed within the context of legislation agreement, which ensures the collection of receivables through administrative channels. When the debtor offers exceed authorizations transferred to the Branch/Regional Management or includes matters outside the scope of current legislation agreements and the Branch/Regional Management submit favorable opinion to the Head Office regarding this issue, receivables should be restructured on a company/debtor basis in accordance with the decisions made by the related authorities.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 7.13. Explanations on Write-Off Policy

The Group writes off the receivables from its records with the actualized circumstances of deaths of the debtor and/or the related people, refusals of the heritage by the heritors within the legal time limits, becoming legally and effectively impossible of the collection of the receivable, and the given financial accountability decision on the related personnel of the considered receivable.

## 8. Other Financial Assets Measured at Amortized Cost

### 8.1. Information on Financial Assets Subject to Repurchase Agreements and those Given as Collateral/Blocked

#### Financial Assets Measured at Amortized Cost subject to repo transactions

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	-	9.155.480	16.898.737	5.705.067
Treasury Bills	-	-	-	-
Other Government Debts	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>-</b>	<b>9.155.480</b>	<b>16.898.737</b>	<b>5.705.067</b>

#### Financial Assets Measured at Amortized Cost given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Bills	-	-	1.107.792	-
Bonds and Similar Investment Securities	143.859.019	62.284.619	57.126.063	36.259.758
Other	-	-	-	-
<b>Total</b>	<b>143.859.019</b>	<b>62.284.619</b>	<b>58.233.855</b>	<b>36.259.758</b>

### 8.2. Information on Government Debt Securities at Amortized Cost

	Current Period	Prior Period
Government Bonds	342.629.160	158.551.073
Treasury Bills	-	1.107.792
Other Public Sector Debt Securities	1.914.559	1.585.288
<b>Total</b>	<b>344.543.719</b>	<b>161.244.153</b>

### 8.3. Information on Financial Assets Measured at Amortized Cost

	Current Period	Prior Period
Debt Securities	348.667.948	165.424.164
Quoted at Stock Exchange	321.811.537	155.404.418
Unquoted at Stock Exchange	26.856.411	10.019.746
Provision for Impairment (-)	2.002	1.079
<b>Total</b>	<b>348.665.946</b>	<b>165.423.085</b>

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

## 8.4. The Movements of Financial Assets Measured at Amortized Costs

	Current Period	Prior Period
<b>Beginning Balance</b>	<b>165.423.085</b>	<b>46.339.025</b>
Foreign Currency Differences on Monetary Assets	25.097.891	11.437.431
Purchases During the Year <sup>(1)</sup>	169.413.220	109.423.608
Disposals through Sales and Redemptions	(11.266.248)	(1.775.900)
Provision for Impairment (-)	2.002	1.079
<b>Period End Balance</b>	<b>348.665.946</b>	<b>165.423.085</b>

<sup>(1)</sup> Accruals are shown in “Purchases During the Year”.

## 9. Information on Associates Accounts (Net)

### 9.1. Information on the Parent Bank’s Unconsolidated Associates

Title	Address (City/Country)	The Bank’s Share Percentage, if Different, Voting Percentage (%)	The Bank’s Risk Group Share Percentage (%)
1 Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.	Istanbul/Türkiye	33,34	33,34

	Total Assets <sup>(1)</sup>	Shareholders’ Equity <sup>(1)</sup>	Total Non- Current Assets <sup>(2)</sup>	Interest Income <sup>(1)</sup>	Income from Marketable Securities <sup>(1)</sup>	Current Period Profit/Loss <sup>(1)</sup>	Prior Period Profit/Loss <sup>(1)</sup>	Fair Value
1	512.193	331.393	168.795	48.445	-	(8.399)	(12.650)	-

<sup>(1)</sup> Current period financial information has been provided from unaudited financial statements as of 31 December 2023. Prior period profit/loss information has been provided from independently audited financial statements as of 31 December 2022.<sup>(2)</sup> Total noncurrent assets include tangible and intangible assets.

### 9.2. Information on Consolidated Associates

Title	Address (City/Country)	The Parent Bank’s Percentage-if different Voting Percentage (%)	The Parent Bank’s Group Share Percentage (%)
1 Arap Türk Bankası A.Ş.	Istanbul/Türkiye	15,43	15,43
2 Birleşim Varlık Yönetim A.Ş. <sup>(2)</sup>	Istanbul/Türkiye	16,00	16,00

	Total Assets <sup>(1)</sup>	Shareholders’ Equity <sup>(1)</sup>	Total Non- Current Assets <sup>(1)</sup>	Interest Income <sup>(1)</sup>	Income from Marketable Securities <sup>(1)</sup>	Current Period Profit/Loss <sup>(1)</sup>	Prior Period Profit/Loss <sup>(1)</sup>	Fair Value
1	14.260.568	2.137.578	957.328	492.326	356.075	153.995	213.492	-
2	929.956	763.942	27.481	308.503	-	109.296	257.480	-

<sup>(1)</sup> Current period financial information of the associates has been provided from unaudited financial statements as of 31 December 2023. Prior period profit/loss information of the associates has been provided from independently audited financial statements as of 31 December 2022.<sup>(2)</sup> Necessary permissions have been obtained from the BRSB regarding the purchase by the Bank of 12.000.000 Group B Shares, 16% owned by the Savings Deposit Insurance Fund (TMSF), in the capital of Birleşim Varlık Yönetim AŞ, with all its rights and obligations in return for TL 119.285 share purchase transactions were completed on 1 March 2023.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 9.3. Information on Financial Associates

	Current Period	Prior Period
<b>Balance at the Beginning of the Period</b>	<b>282.763</b>	<b>205.959</b>
<b>Movement During the Period</b>	<b>169.296</b>	<b>76.804</b>
Purchases	119.285	-
Free Shares Obtained Profit From Current Years Share	-	-
Dividends From Current Year Income	41.247	32.942
Sales	-	-
Revaluation Increase	8.764	43.862
Impairment Provision (-)	-	-
<b>Balance at the End of the Period</b>	<b>452.059</b>	<b>282.763</b>
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

## 9.4. Sectoral Information on Financial Associates and the Related Carrying Amounts

	Current Period	Prior Period
Banks	329.828	282.763
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Associates	122.231	-

## 9.5. Subsidiaries Quoted to the Stock Exchange

None (31 December 2022: None).

## 10. Information on Subsidiaries (Net)

### 10.1. Information on the Parent Bank's Unconsolidated Subsidiaries

Description	Address (City/Country)	The Parent Bank's Share Percentage-if different Voting Percentage (%)	The Parent Bank's Group Share Percentage (%)
1 Ziraat Teknoloji A.Ş.	Istanbul/Türkiye	100,00	100,00

	Total Assets	Shareholders' Equity	Total Non- Current Assets	Interest Income	Income from Marketable Securities	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value
1	511.987	172.565	44.622	8.198	126	114.316	20.686	278.705

<sup>(1)</sup> Current period financial information of the subsidiary has been provided from unaudited financial statements as of 31 December 2023. Prior period profit/loss information of the subsidiary has been provided from independently audited financial statements as of 31 December 2022.



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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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## 10.2. Information on Consolidated Subsidiaries

Description	Address (City/Country)	The Bank's Share Percentage-if different Voting Percentage (%)	The Bank's Risk Group Share Percentage (%)
1 Ziraat Yatırım Menkul Değerler A.Ş.	Istanbul/Türkiye	99,60	99,60
2 Ziraat Portföy Yönetimi A.Ş.	Istanbul/Türkiye	74,90	99,80
3 Ziraat Katılım Bankası A.Ş.	Istanbul/Türkiye	100,00	100,00
4 Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	Istanbul/Türkiye	81,06	81,06
5 Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş.	Istanbul/Türkiye	100,00	100,00
6 Ziraat Dinamik Banka A.Ş. <sup>(*)</sup>	Istanbul/Türkiye	100,00	100,00
7 Ziraat Finansal Teknolojiler Elektronik Para ve Ödeme Hizmetleri A.Ş. <sup>(**)</sup>	Istanbul/Türkiye	100,00	100,00
8 Ziraat Bank International A.G.	Frankfurt/Germany	100,00	100,00
9 Ziraat Bank BH d.d.	Sarajevo/Bosnia Herzegovina	100,00	100,00
10 Ziraat Bank (Moscow) JSC	Moscow/Russia	99,91	100,00
11 Kazakistan Ziraat Int. Bank	Almaty/Kazakhstan	99,92	99,92
12 Ziraat Bank Azerbaycan ASC	Baku/Azerbaijan	99,98	100,00
13 Ziraat Bank Montenegro AD	Podgorica/Montenegro	100,00	100,00
14 JSC Ziraat Bank Georgia	Tbilisi/Georgia	100,00	100,00
15 Ziraat Bank Uzbekistan JSC	Tashkent/Uzbekistan	100,00	100,00

<sup>(\*)</sup> The Bank's Subsidiary, Ziraat Dinamik Banka A.Ş., was established with the permission of the BRSA dated 23 March 2023 and numbered 10542 and was registered on April 18, 2023, and has not started operations yet as of the end of the period.

<sup>(\*\*)</sup> Ziraat Finansal Teknolojiler Elektronik Para ve Ödeme Hizmetleri A.Ş. which is among the subsidiaries, started to be followed as a financial partnership. Operating permission was received from the CBRT on January 30, 2024.

Total Assets	Shareholders' Equity	Total Non-Current Assets	Interest Income	Income from Marketable Securities	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value	Shareholder's equity amount needed
1 5.551.877	3.102.833	32.833	1.386.213	-	2.151.551	737.773	4.839.147	-
2 782.167	588.400	28.668	87	-	416.918	185.324	556.999	-
3 383.658.370	19.831.547	2.858.333	43.986.005	7.576.685	4.004.497	3.840.272	15.958.668	-
4 40.209.019	36.274.198	37.666.096	68.735	-	16.545.611	10.945.313	20.255.507	-
5 4.757.425	4.753.732	461	183.897	-	2.331.997	1.388.271	3.834.211	-
6 2.500.000	2.500.000	-	-	-	-	-	2.500.000	-
7 222.318	221.525	19.372	25.490	-	20.508	-	200.000	-
8 34.049.514	10.328.025	1.456.831	1.195.377	9.213	333.880	534	4.671.628	-
9 24.462.354	3.339.227	165.749	520.307	-	225.371	31.973	1.365.113	-
10 3.469.658	1.737.640	57.135	286.315	1.597	265.930	133.455	1.031.853	-
11 14.838.353	4.720.137	380.677	853.267	5.257	777.627	(387.925)	3.535.560	-
12 10.856.734	1.948.767	399.209	476.642	29.148	192.543	55.395	1.134.100	-
13 3.307.757	559.299	28.559	75.698	17.457	15.237	155	404.975	-
14 2.225.408	792.732	61.316	122.440	4.636	64.747	36.931	342.333	-
15 6.934.523	1.092.731	146.910	263.910	6.834	92.922	108.789	719.558	-

<sup>(\*)</sup> The amounts shown in the interest income column of Ziraat Katılım Bankası A.Ş. include profit share income.

<sup>(\*\*)</sup> Current period financial statement information, Ziraat Katılım Bankası A.Ş. and Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.'s independently audited financial statements dated 31 December 2023, and from the non-independently audited financial statements of other subsidiaries, and in the profit/loss figures for the previous period, Ziraat Katılım Bankası A.Ş. and Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.'s independently audited financial statements dated 31 December 2022, and the unaudited financial statements of other subsidiaries.

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

*(Represents the values of the Parent Bank)*

	Current Period	Prior Period
<b>Balance at the Beginning of the Period</b>	<b>41.946.035</b>	<b>20.558.487</b>
<b>Movements During the Period</b>	<b>19.403.617</b>	<b>21.387.548</b>
Purchases	10.615.681	3.249.300
Free Shares Obtained Profit From Current Years Share	163.757	86.121
Dividends from current year income	-	-
Sales	-	-
Revaluation Increase <sup>(1)</sup>	12.652.181	22.601.876
Impairment Provision (-)	4.028.002	4.549.749
<b>Balance at the End of the Period <sup>(2)</sup></b>	<b>61.349.652</b>	<b>41.946.035</b>
Capital Commitments	-	-
Share percentage at the end of the period (%)	-	-

<sup>(1)</sup> Includes changes arising from conversion of subsidiaries, whose capitals are paid in Euro amounts, into TL at period end currency rate.

<sup>(2)</sup> Non-financial subsidiaries amounting to TL 278.705 are not included in the table. (31 December.2022: Non-financial subsidiaries amounting to TL 134.959 are not included in the table.)

### 10.3. Sectoral Information on Financial Subsidiaries and the Related Carrying Amounts

*(Represents the values of the Parent Bank)*

	Current Period	Prior Period
Banks	31.663.788	15.826.908
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financing Companies	-	-
Other Financial Subsidiaries	29.685.864	26.119.127

### 10.4. Subsidiaries Quoted to a Stock Exchange

*(Represents the values of the Parent Bank)*

	Current Period	Prior Period
Quoted at Domestic Stock Exchanges	20.255.507	21.486.762
Quoted at International Stock Exchanges	-	-

### 11. Information on Entities Under Common Control (Joint Ventures)

Entities under Common Control (Joint Ventures) <sup>(1)</sup>	Parent Bank's Share (%)	Group's Share (%)	Current Assets	Non-Current Assets	Long Term Liabilities	Income	Expense
Turkmen Turkish Joint Stock Commercial Bank	50,00	50,00	19.052.925	102.985	7.319	1.050.340	515.735

<sup>(1)</sup> Information on entity under joint control is provided from the unaudited financial statements as of 31 December 2023.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 12. Information on Lease Receivables

Information on receivables from leasing transactions is presented in the table below.

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	224.845	214.022	189.351	179.909
1-5 Years	59.991.932	41.215.163	16.508.624	14.022.160
More than 5 Years	13.243.798	11.229.911	8.160.207	7.050.052
<b>Total</b>	<b>73.460.575</b>	<b>52.659.096</b>	<b>24.858.182</b>	<b>21.252.121</b>

## 13. Explanation on Derivative Financial Assets for Hedging Purposes

The Group does not have any derivative financial assets for hedging purposes.

## 14. Explanation on Investment Property

The Group's investment properties are TL 1.434.220 (31 December 2022: TL 775.075).

## 15. Explanation on Fixed Assets Held for Sale and Discontinued Operations

The Group does not have any discontinued operations. The assets held for sale are composed of immovables acquired due to consumer, commercial and agricultural loans, and immovables for which has no necessity of use exists by the Parent Bank. Those immovables considered for sales are announced at the web site of the Parent Bank.

The total of the partnership interests of the Group due to its receivables is TL 38.948 (31 December 2022: TL 415.578). To be TL 15.712 (31 December 2022: TL 12.446) due to individual receivables of the Group, TL 6.288.579 due to its trade receivables (31 December 2022: TL 5.255.159) and TL 81.634 (31 December 2022: TL 98.632) due to its agricultural receivables. The total of the real estates acquired for the purpose of sale is TL 6.385.925 (31 December 2022: TL 5.366.237) and the total of other real estates held for sale is TL 447.908 (31 December 2022: TL 1.325.408). In addition, the total of the movables acquired due to its receivables is TL 98.046 (31 December 2022: TL 75.258). The net book value of the Group's assets held for sale acquired through fiduciary rights is TL 2.548.008 (31 December 2022: TL 2.522.486).

## 16. Explanations on Tangible Assets

	Immovables	Immovables with Right of Use	Movables	Movables with Right of Use	Leasing Development Costs	Other Tangibles	Total
<b>Prior Period End</b>							
Cost	34.382.703	1.805.025	3.271.658	481.155	484.526	-	40.425.067
Accumulated Depreciation (-)	889.765	276.941	1.881.872	210.496	330.169	-	3.589.243
Impairment (-)	78	-	618	-	-	-	696
<b>Net Book Value</b>	<b>33.492.860</b>	<b>1.528.084</b>	<b>1.389.168</b>	<b>270.659</b>	<b>154.357</b>	<b>-</b>	<b>36.835.128</b>
<b>Current Period End</b>							
Net Book Value at the Beginning of the Period	33.492.860	1.528.084	1.389.168	270.659	154.357	-	36.835.128
Change During the Period (Net)	17.778.559	2.358.373	1.973.434	475.170	812.573	-	23.398.109
- Cost	3.596.889	2.639.017	3.024.599	641.262	974.464	-	10.876.231
- Revaluation Differences	14.400.042	-	23.942	-	91	-	14.424.075
- Depreciation - Net (-)	218.372	279.902	1.075.107	165.280	161.982	-	1.900.643
- Impairment (-)	-	742	-	812	-	-	1.554
Net Currency Translation from Foreign Subsidiaries	377.189	68.524	64.033	15.607	25.895	-	551.248
Cost at Period End	52.756.823	4.512.566	6.384.232	1.138.024	1.484.976	-	66.276.621
Accumulated Depreciation at Period End (-)	1.108.137	556.843	2.956.979	375.776	492.151	-	5.489.886
Impairment (-)	78	742	618	812	-	-	2.250
<b>Closing Net Book Value</b>	<b>51.648.608</b>	<b>3.954.981</b>	<b>3.426.635</b>	<b>761.436</b>	<b>992.825</b>	<b>-</b>	<b>60.784.485</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 17. The Impairment Provision Set or Cancelled in The Current Period According to The Asset Groups Not Individually Significant but Materially Affecting the Overall Financial Statements, and The Reason and Conditions for This

None.

## 18. Pledges, mortgages and other restrictions on the tangible assets, expenses arising from the construction for tangible assets, commitments given for the purchases of tangible assets

None.

## 19. Explanations on Intangible Assets

	Current Period			Prior Period		
	Book Value	Accumulated Depreciation	Net Value	Book Value	Accumulated Depreciation	Net Value
Establishment Costs	11.073	11.073	-	15.575	12.419	3.156
Goodwill	-	-	-	-	-	-
Intangible Rights	6.536.973	1.779.476	4.757.497	3.928.538	1.165.312	2.763.226
<b>Total</b>	<b>6.548.046</b>	<b>1.790.549</b>	<b>4.757.497</b>	<b>3.944.113</b>	<b>1.177.731</b>	<b>2.766.382</b>

## Disclosures for book value, description and remaining useful life for a specific intangible fixed asset that is material to the financial statements:

None.

## Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition:

None.

## The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition:

None.

## The book value of intangible fixed assets that are pledged or restricted for use:

None.

## Amount of purchase commitments for intangible fixed assets:

None.

## Information on revalued intangible assets according to their types:

None.

## Amount of total research and development expenses recorded in income statement within the period if any:

None.

## Positive or negative consolidation goodwill on entity basis:

Not applicable for the consolidated financial statements.

## Information on Goodwill:

None.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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## 20. Explanation on Deferred Tax Asset

The Group calculates and reflects deferred tax in accordance with the provisions of "Income Taxes Standards" ("TAS 12") for taxable temporary differences that arise between the book value of an asset or liability and its tax basis determined in accordance with the tax legislation. In the calculation of deferred tax, enacted tax rates valid as of the balance sheet date are used in accordance with the current tax legislation.

Deferred tax assets consisting of deductible temporary differences are calculated on the condition that it is highly probable to benefit from these differences by earning taxable profit in the future. Calculated deferred tax receivables and deferred tax liabilities are netted off in the consolidated subsidiaries' separate financial statements.

Information on calculated deferred tax including deductible temporary differences, financial losses, tax deductibles and tax exemptions is shown below;

	Current Period	Prior Period
Deferred Tax Assets	39.559.665	27.353.071
Deferred Tax Liabilities	(6.108.514)	(21.726.782)
Net Deferred Tax Assets/(Liabilities)	33.451.151	5.626.289
Net Deferred Tax Income/(Expense)	16.905.023	11.459.690
	<b>Current Period</b>	<b>Prior Period</b>
<b>Deferred Tax Asset</b>	<b>39.559.664</b>	<b>27.353.071</b>
Expected Loss Provisions	16.955.607	11.039.041
Reserve for Employee Benefits	2.210.500	1.850.397
Marketable Securities Portfolio	9.192.048	6.246.366
Differences Between Registered Value of Assets and Tax Value <sup>(*)</sup>	5.764.434	-
Other	5.437.075	8.217.267
<b>Deferred Tax Liabilities</b>	<b>6.108.513</b>	<b>21.726.782</b>
Financial Assets Valuation Differences	4.770.184	19.674.768
Real Estate Valuation Difference	1.129.365	1.853.995
Other	208.964	198.019
<b>Net Deferred Tax Asset/(Liability)</b>	<b>33.451.151</b>	<b>5.626.289</b>

<sup>(\*)</sup> Deferred tax assets resulting from inflation adjustment in the provisions of Tax Procedural Law Provisional Article 33 are included.

As of 31 December 2023, deferred tax income amounting to TL 16.905.023 was classified on profit or loss table and deferred tax expense amounting TL 10.834.183 was classified under shareholders' equity. (As of 31 December 2022, deferred tax income amounting to TL 11.459.690 was classified on profit or loss table and deferred tax expense amounting TL 8.605.454 was classified under shareholders' equity).

## 21. Information on expected loss provisions for financial assets

	Current Period	Prior Period
Cash and Balances at Central Bank	27.611	31.345
Banks and Receivables from Money Markets	46.474	15.293
Financial Assets Measured at Amortized Cost	80.966	40.592
Other assets	270.826	115.138
<b>Total</b>	<b>425.877</b>	<b>202.368</b>

## 22. Information on Other Assets

As of 31 December 2023 and 31 December 2022, other assets do not exceed 10% of the total assets excluding off-balance sheet commitments.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES

### 1. Information on Deposits/Funds Collected

#### 1.1. Information on Maturity Structure of Deposits

Current Period	Demand	7 Day	Up to 1	1-3	3-6	6 Months-	1 Year	Cumulative	Total
		Call							
Saving Deposits	175.609.256	-	28.427.379	321.850.914	266.165.080	93.219.497	85.420.590	127.978	970.820.694
Foreign Currency Deposits	482.977.685	-	171.140.479	259.762.076	48.156.541	40.618.989	88.313.900	17.851	1.090.987.521
Residents in Türkiye	352.748.963	-	165.474.988	225.071.571	30.718.870	16.100.399	25.810.393	13.659	815.938.843
Residents on Abroad	130.228.722	-	5.665.491	34.690.505	17.437.671	24.518.590	62.503.507	4.192	275.048.678
Public Sector Deposits	36.669.339	-	130.419.435	48.298.041	4.444.001	233.006	143.897	-	220.207.719
Commercial Inst. Deposits	100.914.099	-	181.333.459	236.061.118	62.493.497	45.411.903	36.831.359	-	663.045.435
Other Institutions Deposits	11.701.470	-	7.881.947	43.235.018	15.424.095	2.286.691	1.360.134	-	81.889.355
Precious Metals Deposit	151.323.270	-	3.027.113	18.214.111	2.181.984	628.895	944.569	-	176.319.942
Interbank Deposits	11.285.647	-	41.479.672	32.117.694	11.449.977	150.065	70.126	-	96.553.181
The CBRT	3.835.380	-	-	-	-	-	-	-	3.835.380
Domestic Banks	724.497	-	35.444.212	2.453.348	-	-	-	-	38.622.057
Foreign Banks	6.044.046	-	6.035.460	29.664.346	11.347.811	150.065	70.126	-	53.311.854
Participation Banks	681.724	-	-	-	102.166	-	-	-	783.890
Other	-	-	-	-	-	-	-	-	-
<b>Total <sup>(1)</sup></b>	<b>970.480.766</b>	<b>-</b>	<b>563.709.484</b>	<b>959.538.972</b>	<b>410.315.175</b>	<b>182.549.046</b>	<b>213.084.575</b>	<b>145.829</b>	<b>3.299.823.847</b>

<sup>(1)</sup> As of 31 December 2023, the deposit balance includes the amount of 53.576.786 TL Treasury Currency Protected Deposit, TL 333.844.041 CBRT Currency Protected Deposit and TL 83.585.490 YUVAM Account Deposits.

Prior Period	Demand	7 Day	Up to 1	1-3	3-6	6 Months-	1 Year	Cumulative	Total
		Call							
Saving Deposits	131.457.914	-	18.631.036	243.164.800	20.336.549	9.534.581	25.114.190	148.528	448.387.598
Foreign Currency Deposits	283.838.398	-	143.513.425	184.535.658	39.357.690	23.688.435	71.524.578	14.799	746.472.983
Residents in Türkiye	218.226.729	-	139.052.941	157.661.536	29.048.020	11.548.296	28.962.992	12.343	584.512.857
Residents on Abroad	65.611.669	-	4.460.484	26.874.122	10.309.670	12.140.139	42.561.586	2.456	161.960.126
Public Sector Deposits	20.175.077	-	114.451.418	11.097.850	4.648.975	803.714	7.615	-	151.184.649
Commercial Inst. Deposits	91.796.331	-	115.450.374	136.160.439	7.300.447	22.053.845	2.894.572	-	375.656.008
Other Institutions Deposits	6.988.093	-	5.785.624	20.258.226	4.211.618	910.923	457.932	-	38.612.416
Precious Metals Deposit	81.910.678	-	1.890.618	13.515.775	999.453	561.040	635.451	-	99.513.015
Interbank Deposits	9.315.628	-	43.085.939	9.091.642	93.317	18.396.704	499.173	-	80.482.403
The CBRT	2.714.175	-	-	-	-	-	-	-	2.714.175
Domestic Banks	451.294	-	39.787.632	654.420	-	-	402.578	-	41.295.924
Foreign Banks	5.912.844	-	3.297.632	8.437.222	93.317	18.396.704	96.595	-	36.234.314
Participation Banks	237.315	-	675	-	-	-	-	-	237.990
Other	-	-	-	-	-	-	-	-	-
<b>Total <sup>(1)</sup></b>	<b>625.482.119</b>	<b>-</b>	<b>442.808.434</b>	<b>617.824.390</b>	<b>76.948.049</b>	<b>75.949.242</b>	<b>101.133.511</b>	<b>163.327</b>	<b>1.940.309.072</b>

<sup>(1)</sup> As of 31 December 2022, the deposit balance includes the amount of 93.491.005 TL Treasury Currency Protected Deposit, TL 105.994.827 CBRT Currency Protected Deposit and TL 17.910.987 YUVAM Account Deposits.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 1.2. Information on Saving Deposits Under the Guarantee of the Saving Deposit Insurance Fund and Amounts Exceeding the Limit of the Deposit Insurance Fund

Saving Deposits	Under the Guarantee of Deposit Insurance		Exceeding Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits <sup>(1)</sup>	400.109.821	224.598.819	570.467.136	222.369.675
Foreign Currency Saving Deposits <sup>(1)</sup>	306.661.188	163.782.459	457.116.037	364.876.583
Other Deposits in the form of Saving Deposits	-	-	-	-
Foreign Branches' Deposits under the Guarantees of Foreign Authority Insurance <sup>(2)</sup>	8.857.133	5.057.008	4.796.767	2.838.629
Off-Shore Banking Regions' and under Foreign Authorities' Insurance	-	-	-	-

<sup>(1)</sup> Related deposit balances do not include foreign branches.<sup>(2)</sup> In Bulgaria and Greece, since both real person and legal entity's saving deposits are under the guarantee of insurance and since such balances included in insurance limit are calculated by the system, the legal entity saving deposits amounting to TL 5.010.092 and TL 61.595 respectively, cannot be decomposed by type and are therefore included in the table above (31 December 2022: TL 2.643.374 and TL 35.817).

Pursuant to the Regulation Amending the Regulation on Deposits and Participation Funds Subject to Insurance and Premiums to be Collected by the Savings Deposit Insurance Fund, published in the Official Gazette dated 27 August 2022 and numbered 31936, other than those belonging to official institutions, credit institutions and financial institutions in the presence of credit institutions; all deposit and participation funds are covered by insurance. In line with this change, commercial deposits amounting to TL 49.015.138 (31 December 2022: TL 28.211.466) within the scope of insurance are not included in the table. The portion of the said deposits exceeding the insurance limit is TL 845.925.049 (31 December 2022: TL 789.528.367).

Based on the Council of Minister's decree dated 29 December 2003 and numbered 2003/6668, TL 382 (31 December 2022: TL 434) of demand deposits is not included in the above calculation, since the Parent Bank paid the saving deposits amount attributable to T. İmar Bankası T.A.Ş.

## 1.3. Information on Saving Deposits/Real Persons' Private Current and Accession Accounts Not Related to Commercial Transactions in a Turkish Branch of the Parent Bank Whose Head Office is Abroad, And Reasons if it is Covered in Where the Head Office is Located

The Parent Bank's head office is located in Türkiye.

## 1.4. Saving Deposits of Real Persons which are not under the Guarantee of Saving Deposit Insurance Fund

	Current Period	Prior Period
Foreign branches' saving deposits and other accounts	17.493	12.805
Deposits and other accounts belonging to dominant partners as well as their fathers, mothers, spouses and children under their custody	-	-
Deposits and other accounts belonging to the chairman and members of the board of directors, general managers and deputy general managers as well as their fathers, mothers, spouses and children under their custody	43.616	53.076
Deposits and other accounts covered by assets generated through the offenses mentioned in Article 282 of the Turkish Penal Code No.5237 and dated 26 September 2004	-	-
Deposits in the banks to be engaged exclusively in offshore banking in Türkiye	-	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 2. Negative Differences Statement Regarding Trading Derivative Financial Assets

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	80.030	49.505	12.129	1.290
Swap Transactions	704.395	2.629.363	218.585	2.837.720
Futures Transactions	-	-	-	-
Options	-	206.689	-	89.836
Other	-	90	-	-
<b>Total</b>	<b>784.425</b>	<b>2.885.647</b>	<b>230.714</b>	<b>2.928.846</b>

## 3. Information on Banks and Other Financial Institutions

### 3.1. General Information on Banks and Other Financial Institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowings from CBRT	1.206.486	-	10.208.007	-
Domestic Banks and Institutions	6.213.812	10.121.311	377.292	15.359.646
Foreign Banks, Institutions and Funds	-	192.979.456	-	89.467.088
<b>Total</b>	<b>7.420.298</b>	<b>203.100.767</b>	<b>10.585.299</b>	<b>104.826.734</b>

### 3.2. Information on Maturity Structure of Borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	6.084.912	22.394.428	10.582.888	7.706.354
Medium and Long-Term	1.335.386	180.706.339	2.411	97.120.380
<b>Total</b>	<b>7.420.298</b>	<b>203.100.767</b>	<b>10.585.299</b>	<b>104.826.734</b>

### 3.3. Further Information is Disclosed for the Areas of Liability Concentrations. Main Liability Concentration Areas are Fund Suppliers, Sector Groups or other Risk Concentration Criteria

77,56% of the Group's total liabilities consist of deposits. Deposits have a diversified base and have steady structures. The Group's liabilities are not subject to a significant concentration risk.

## 4. Information on Money Market Borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>From Domestic Transactions</b>	<b>5.469.316</b>	<b>10.528.455</b>	<b>21.081.863</b>	<b>7.498.996</b>
Financial Institutions and Organizations	5.115.675	10.528.455	20.917.677	7.498.996
Other Institutions and Organizations	279.173	-	125.400	-
Real Person	74.468	-	38.786	-
<b>From Overseas Operations</b>	<b>-</b>	<b>78.303.138</b>	<b>-</b>	<b>64.037.829</b>
Financial Institutions and Organizations	-	78.303.138	-	40.090.932
Other Institutions and Organizations	-	-	-	23.946.897
Real Person	-	-	-	-
<b>Total</b>	<b>5.469.316</b>	<b>88.831.593</b>	<b>21.081.863</b>	<b>71.536.825</b>



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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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## 5. Information on Securities Issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bills	995.040	7.518.533	-	644.547
Asset-Backed Securities	4.461.181	14.918.648	4.394.241	-
Treasury Bonds	-	38.674.352	649.106	26.118.062
<b>Total</b>	<b>5.456.221</b>	<b>61.111.533</b>	<b>5.043.347</b>	<b>26.762.609</b>

## 6. If Other Foreign Liabilities exceed 10% of The Total Balance Sheet, Names and Amounts of Sub Accounts That Make Up At Least 20% of These

Other foreign liabilities do not exceed 10% of the balance sheet total.

## 7. Information on Lease Liabilities

Information on lease liabilities represented in the table below.

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	89.584	41.352	94.282	52.127
Between 1-4 Years	1.856.513	1.482.025	1.088.621	912.150
More than 4 Years	6.515.257	3.263.741	1.676.114	885.802
<b>Total</b>	<b>8.461.354</b>	<b>4.787.118</b>	<b>2.859.017</b>	<b>1.850.079</b>

## 8. Information on the Hedging Derivative Financial Liabilities

There are no hedging derivative financial liabilities of Group.

## 9. Information on Provisions

### 9.1. Provisions Related with Principal Foreign Currency Decrease of Foreign Indexed Loans and Finance Leasing Receivables

There are no foreign exchange loss provisions on foreign currency indexed loans and financial lease receivables (31 December 2022: None).

### 9.2. Liabilities on Employee Benefits Provision

#### 9.2.1. Termination Benefit and Unused Vacation Rights

The Bank accounts for its vacation and retirement pay obligations in accordance with the TAS 19 "Employee Benefits". The vacation and retirement pay obligations recognized in the balance sheet represent the present value of the defined benefit obligation. As of 31 December 2023, unpaid vacation liability amounted to TL 923.379 and employment termination amounted to TL 5.312.642 are presented under the "Employee Benefits Provision" in the financial statements (31 December 2022 unpaid vacation liability amounted to TL 792.254 and employment termination amounted to TL 6.140.669 are presented under the "Employee Benefits Provision" in the financial statements).

#### 9.2.2. Pension Rights

The technical balance sheet reports which are prepared in accordance with the principles Act numbered 5754 declared in the Official Gazette dated 8 May 2008 numbered 26870, by using a technical interest rate of 9,80%, concluded that no technical deficit arises in the mentioned fund as of 31 December 2023 and 31 December 2022.

The liability related to Parent Bank's benefits to be transferred to SSI as of the balance sheet date is expected payment to be made to SSI during the transfer. Actuarial parameters and results used in calculation of this amount reflects the Act's, numbered 5754 declared in the Official Gazette dated 8 May 2008 numbered 26870, principles related to pension and health benefits to be transferred to SSI (9,80% real discount rate, etc.).

GRI 201-3, 402-1

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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In calculating the liability amount for transferable benefits, largely fixed and certain assumptions are used within the framework of the New Law. However, the final amount for the liability that the Bank will bear when the transfer takes place may vary depending on factors such as the number of participants and withdrawal rates, especially the discount rate, inflation and wage increases.

	Current Period	Prior Period
<b>Opening - Beginning of Period Asset</b>	<b>9.609.837</b>	<b>6.297.140</b>
Real return on fund assets	7.737.805	2.338.558
Employer contributions	2.969.551	1.182.641
Employee contributions	2.145.456	863.294
Compensations paid	(2.051.413)	(1.071.796)
<b>Total Assets at the End of the Period</b>	<b>20.411.236</b>	<b>9.609.837</b>

According to related Actuary Report, the Fund's surplus is TL 42.138.296 as of 31 December 2023 (31 December 2022: TL 17.709.984).

	Current Period	Prior Period
Non-Medical Assets	20.411.236	9.609.837
Actual and Technical Overrun	42.138.296	17.709.984

The principal actuarial assumptions used are as follows:

	Current Period	Prior Period
Discount rate		
- Pension benefits transferable to SSI	9,80%	9,80%
- Post employment medical benefits transferable to SSI	9,80%	9,80%

The CSO 1980 Female/Male mortality table is used to represent the expected mortality rates before and after retirement.

The distribution of fund assets is as follows:

	Current Period	Prior Period
Bank placements	3.753.005	1.204.050
Property and equipment	4.800.000	940.000
Marketable securities	11.260.039	7.272.413
Other	598.192	193.374
<b>Total</b>	<b>20.411.236</b>	<b>9.609.837</b>

### 9.3. Information on Other Provisions

A total of TL 17.800.000 TL 29.304.000 of which was reserved in previous periods, 96.000 TL of which was reserved in the current year, and TL 11.600.000 of which was canceled in the current period, outside the requirements of the BRSA Accounting and Financial Reporting Legislation, was determined by the Group management. There is free provision (December 31, 2022: A total of TL 29.304.000 free provision has been set aside by the Group management, TL 3.730.000 of which is in the previous periods and TL 25.574.000 of which is in the current period, outside the requirements of the BRSA Accounting and Financial Reporting Legislation).

Expected loss provisions for non-cash loans are TL 9.204.333 (31 December 2022: Expected loss provisions for non-cash loans are TL 9.352.474). The Group has made a provision amounting to TL 278.521 for the cases that have not been finalized yet (31 December 2022: The Group has made a provision amounting to TL 198.554 for the cases that are not yet finalized). In addition, there is other provision amounting to TL 4.954.408 (31 December 2022: Other provision amounting to TL 5.350.679).

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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## 10. Explanations on Tax Liability

### 10.1. Explanations on Current Tax Liability

#### 10.1.1. Information on Tax Provision

As of 31 December 2023, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 6.920.888 (As of 31 December 2022, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 7.295.144).

#### 10.1.2. Information on Current Taxes Payable

	Current Period	Prior Period
Corporate Tax Payable	6.920.888	7.295.144
Taxation on Income From Securities	1.726.608	573.637
Property Tax	11.251	6.516
Banking Insurance Transactions Tax (BITT)	2.522.384	837.019
Foreign Exchange Transactions Tax	53.073	46.164
Value Added Tax Payable	228.094	162.889
Other	461.518	500.584
<b>Total</b>	<b>11.923.816</b>	<b>9.421.953</b>

#### 10.1.3. Information on Premium Payables

	Current Period	Prior Period
Social Security Premiums Employee	1.073	140
Social Security Premiums - Employer	1.428	205
Bank Social Aid Pension Fund Premium - Employee	118.457	45.528
Bank Social Aid Pension Fund Premium - Employer	173.733	66.725
Pension Fund Membership Fees and Provisions - Employee	117	-
Pension Fund Membership Fees and Provisions - Employer	25	36
Unemployment Insurance - Employee	23.141	7.300
Unemployment Insurance - Employer	46.275	14.606
Other	-	-
<b>Total</b>	<b>364.249</b>	<b>134.540</b>

### 10.2. Information on Deferred Tax Liabilities if any

The Group has TL 16.407 deferred tax liability (31 December 2022: TL 301.798).

### 11. Information on liabilities related to non-current assets “held for sale” and “held from discontinued operations”

The Group does not have any liabilities related to non-current assets “held for sale” and “held from discontinued operations” (31 December 2022: None).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 12. Information on Subordinated Loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments to be included in additional capital calculation	-	51.072.217	-	31.546.716
Subordinated loans	-	4.451.686	-	2.597.654
Subordinated debt instruments	-	46.620.531	-	28.949.062
Debt instruments to be included in contribution capital calculation	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
<b>Total</b>	<b>-</b>	<b>51.072.217</b>	<b>-</b>	<b>31.546.716</b>

<sup>(1)</sup> Subordinated loans are explained in detail in the Note "Information on debt instruments included in the calculation of equity" in Section Four.

## 13. Information on Shareholders' Equity

### 13.1. Presentation of Paid-In Capital

	Current Period	Prior Period
Common stock	84.600.000	34.900.000
Preferred stock	-	-

### 13.2. Amount of Paid-In Capital, Explanation as to Whether the Registered Share Capital System is Applied, if so the Amount of Registered Share Capital Ceiling

The Parent Bank does not have a registered capital system.

### 13.3. Capital Increases and Sources in the Current Period and Other Information Based on Increased Capital Share

The decision to increase the capital to TL 84.600.000 was approved at the Extraordinary General Assembly meeting of the Parent Bank held on 29 March 2023, and the capital increase and the related amendment made in relevant article of the Articles of Association were registered on 30 March 2023. It was announced in the Trade Registry Gazette No. 10801 and dated 30 March 2023. The accounting for the mentioned capital increase was carried out on 30 March 2023, based on the permission obtained from the BRSA.

Increase Date	Increase Amount	Cash	Profit Reserves Subject to Increase	Capital Reserves Subject to Increase
30 March 2023	49.700.000	49.700.000	-	-

### 13.4. Information on Share Capital Increases from Capital Reserves During the Current Period

There is no share capital amount included in capital.

### 13.5. Information on Capital Commitments, the Purpose and the Sources Until the End of the Fiscal Year and the Subsequent Interim Period

The Parent Bank has no capital commitments.

### 13.6. The effects of anticipations based on the financial figures for prior periods regarding the Parent Bank's income, profitability and liquidity, and possible effects of these future assumptions on the Bank's equity due to uncertainties at these indicators.

In the current period, The Parent Bank follows its operations in line with the previous periods. The Parent Bank's balance sheet has been managed with precaution by being affected by the interest, rate of exchange and credit risks at the minimum level. This helps to reduce the effects of fluctuations in the market to The Parent Bank's performance and contributes to the profitability structure to be sustainable.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 13.7. Summary Information on Privileges Given to Shares Representing the Capital

The Parent Bank has no preferred shares.

## 13.8. Information on Marketable Securities Value Increase Fund

	Current Period		Prior Period	
	TL	FC	TL	FC
From Associates, Subsidiaries, and Entities under Common Control (Joint Ventures)	222.468	(425.425)	(77.873)	547.657
Financial Assets at Fair Value Through Other Comprehensive Income	21.902.661	(12.810.408)	49.094.334	(19.922.708)
Foreign Exchange Difference	10.274.164	3.282	6.019.473	1.957
<b>Total</b>	<b>32.399.293</b>	<b>(13.232.551)</b>	<b>55.035.934</b>	<b>(19.373.094)</b>

## III. EXPLANATIONS AND NOTES TO CONSOLIDATED OFF-BALANCE SHEET ACCOUNTS

### 1. Explanations on Off-Balance Sheet Commitments

#### 1.1. Nature and Amount of Irrevocable Loan Commitments

	Current Period	Prior Period
Asset Purchase Commitments	104.390.149	39.841.499
Subsidiaries and Associates Capital Contribution Commitments	-	150.000
Loan Granting Commitments	99.025.457	51.597.586
Commitments for Cheque Payments	20.924.466	10.866.132
Commitments for Credit Card Expenditure Limits	393.172.202	101.503.177
Promotion Campaigns Commitments Relating to Credit Card and Bank Services	260.816	162.830
Tax and Fund Liabilities from Export Commitments	296.293	95.161
Other Irrevocable Commitments	49.726.847	25.838.559
<b>Total</b>	<b>667.796.230</b>	<b>230.054.944</b>

#### 1.2. A Nature and Amount of Possible Losses and Commitments Arising from the Off-Balance Sheet Items Including the Below Mentioned

The Group has provided provision amounting to TL 9.204.333 for expected credit losses arising from the off-balance sheet items in the current period (31 December 2022: TL 9.352.474).

##### 1.2.1. Non-Cash Loans Including Guarantees, Acceptances, Financial Guarantees and Other Letter of Credits

	Current Period	Prior Period
Letters of Guarantee	692.372.857	360.474.626
Letters of Credit	112.269.044	73.113.486
Bank Acceptances	8.393.046	12.278.409
Endorsements	53.313.445	14.341.683
Other Guarantees	886.889	1.504.723
Other Collateral	8.554	17.000
<b>Total</b>	<b>867.243.835</b>	<b>461.729.927</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 1.2.2. Certain Guarantees, Temporary Guarantees, Surety Ships and Similar Transactions

	Current Period	Prior Period
Letters of Certain Guarantees	417.115.185	215.675.531
Letters of Advance Guarantees	132.882.159	60.497.328
Letters of Temporary Guarantees	22.209.779	13.265.410
Letters of Guarantees Given to Customs Offices	5.066.196	4.742.989
Other Letters of Guarantees	115.099.538	66.293.368
<b>Total</b>	<b>692.372.857</b>	<b>360.474.626</b>

## 1.3. Explanations on Non-Cash Loans

### 1.3.1. Total Non-Cash Loans

	Current Period	Prior Period
<b>Non-Cash Loans for Providing Cash Loans</b>	<b>95.627.490</b>	<b>54.657.597</b>
With Original Maturity of One Year or Less	37.876.385	25.080.064
With Original Maturity of More than One Year	57.751.105	29.577.533
<b>Other Non-Cash Loans</b>	<b>771.616.345</b>	<b>407.072.330</b>
<b>Total</b>	<b>867.243.835</b>	<b>461.729.927</b>

### 1.3.2. Information on Sectoral Risk Concentrations of Non-Cash Loans

	Current Period			
	TL	(%)	FC	(%)
Agricultural	7.274.786	2,16	228.565	0,04
Farming and Raising				
Livestock	5.846.941	1,74	124.887	0,02
Forestry	1.002.134	0,30	49.999	0,01
Fishing	425.711	0,13	53.679	0,01
Manufacturing	119.490.606	35,46	229.299.407	43,24
Mining and Quarrying	2.128.300	0,63	5.437.173	1,03
Production	100.263.494	29,75	194.699.585	36,72
Electric, Gas and Water	17.098.812	5,07	29.162.649	5,50
Construction	76.908.378	22,82	164.788.802	31,08
Services	131.259.856	38,95	125.294.108	23,63
Wholesale and Retail Trade	58.491.763	17,36	34.772.684	6,56
Hotel, Food and Beverage Services	8.270.687	2,45	4.112.663	0,78
Transportation and Telecommunication	14.453.595	4,29	38.315.599	7,23
Financial Institutions	38.415.347	11,40	35.051.461	6,61
Real Estate and Leasing Services	9.508.878	2,82	11.565.535	2,18
Self-employment Services	264.776	0,08	193.907	0,04
Education Services	835.270	0,25	832.783	0,16
Health and Social Services	1.019.540	0,30	449.476	0,08
Other	2.046.017	0,61	10.653.310	2,01
<b>Total</b>	<b>336.979.643</b>	<b>100,00</b>	<b>530.264.192</b>	<b>100,00</b>

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

	Prior Period			
	TL	(%)	FC	(%)
Agricultural	2.697.687	1,68	284.769	0,09
Farming and Raising Livestock	1.693.834	1,05	151.215	0,05
Forestry	714.743	0,44	-	-
Fishing	289.110	0,18	133.554	0,04
Manufacturing	55.477.211	34,49	128.673.014	42,76
Mining and Quarrying	1.359.463	0,85	2.158.015	0,72
Production	45.901.635	28,54	115.099.519	38,25
Electric, Gas and Water	8.216.113	5,11	11.415.480	3,79
Construction	38.893.167	24,18	93.818.824	31,18
Services	62.134.622	38,63	74.288.688	24,69
Wholesale and Retail Trade	31.976.138	19,88	21.411.476	7,12
Hotel, Food and Beverage Services	3.040.370	1,89	1.756.688	0,58
Transportation and Telecommunication	8.201.306	5,10	25.338.316	8,42
Financial Institutions	13.051.398	8,11	17.828.374	5,93
Real Estate and Leasing Services	4.996.576	3,11	6.955.531	2,31
Self-employment Services	116.786	0,07	164.133	0,05
Education Services	283.803	0,18	337.321	0,11
Health and Social Services	468.245	0,29	496.849	0,17
Other	1.632.249	1,02	3.829.696	1,28
<b>Total</b>	<b>160.834.936</b>	<b>100,00</b>	<b>300.894.991</b>	<b>100,00</b>

### 1.3.3. Information on the Non-Cash Loans Classified Under Group I and Group II

Current Period	Group I		Group II	
	TL	FC	TL	FC
<b>Non-Cash Loans</b>	<b>332.758.131</b>	<b>501.697.979</b>	<b>3.960.889</b>	<b>22.837.225</b>
Letters of Guarantee	278.011.485	385.389.559	3.820.029	19.202.942
Bank Acceptances	1.305.171	6.990.773	-	97.102
Letters of Credit	633.708	108.078.661	1.325	3.537.181
Endorsements	52.788.627	362.683	139.535	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	19.140	876.303	-	-
<b>Prior Period</b>	<b>Group I</b>	<b>Group II</b>	<b>TL</b>	<b>FC</b>
<b>Non-Cash Loans</b>	<b>158.522.644</b>	<b>291.454.170</b>	<b>2.182.929</b>	<b>8.170.153</b>
Letters of Guarantee	142.296.328	207.100.851	1.883.901	7.877.504
Bank Acceptances	1.808.014	10.470.395	-	-
Letters of Credit	1.446.428	71.318.074	1.325	282.656
Endorsements	12.861.019	1.400.685	51.000	9.993
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	110.855	1.164.165	246.703	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 2. Explanations on Derivative Transactions

	Current Period	Prior Period
<b>Types of Trading Transactions</b>		
Foreign Currency Related Derivative Transactions: (I)	1.142.041.052	628.655.479
Forward Transactions	40.854.755	2.325.255
Swap Transactions	1.089.916.599	610.949.242
Futures Transactions	-	1.260.778
Option Transactions	11.269.698	14.120.204
Interest Related Derivative Transactions (II)	135.028.220	105.383.188
Forward Interest Rate Agreements	-	-
Interest Rate Swaps	135.028.220	105.383.188
Interest Rate Options	-	-
Interest Rate Futures	-	-
Other Trading Derivative Transactions: (III)	-	-
<b>A. Total Trading Derivative Transactions (I+II+III)</b>	<b>1.277.069.272</b>	<b>734.038.667</b>
<b>Types of Hedging Derivative Transactions</b>		
Fair Value Hedges	-	-
Cash Flow Hedges	-	-
Foreign Currency Investment Hedges	-	-
<b>B. Total Hedging Purposes Derivative Transactions</b>	<b>-</b>	<b>-</b>
<b>Total Derivative Transactions (A+B)</b>	<b>1.277.069.272</b>	<b>734.038.667</b>



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

The Group has no derivative transactions for hedging purposes. Estimated to occur in advance and accounted for based on this estimation; however, there are no income and expenses that are not associated with the profit or loss statement in the current period due to the transactions and contracts that are not realized.

<b>Current Period</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
<b>Derivatives held for trading</b>						
Foreign exchange derivatives	718.807	(7.096.319)	35.319	(65.007)	4.080.746	(2.326.454)
- Inflow	345.236.626	206.004.112	8.039.499	5.480.978	5.096.084	569.857.299
- Outflow	(344.517.819)	(213.100.431)	(8.004.180)	(5.545.985)	(1.015.338)	(572.183.753)
Interest rate derivatives	-	-	-	-	-	-
- Inflow	-	5.000	10.000	48.281.496	19.217.614	67.514.110
- Outflow	-	(5.000)	(10.000)	(48.281.496)	(19.217.614)	(67.514.110)
<b>Derivatives held for hedging</b>						
Foreign exchange derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
<b>Total Inflow</b>	<b>345.236.626</b>	<b>206.009.112</b>	<b>8.049.499</b>	<b>53.762.474</b>	<b>24.313.698</b>	<b>637.371.409</b>
<b>Total Outflow</b>	<b>(344.517.819)</b>	<b>(213.105.431)</b>	<b>(8.014.180)</b>	<b>(53.827.481)</b>	<b>(20.232.952)</b>	<b>(639.697.863)</b>
<b>Prior Period</b>						
	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
<b>Derivatives held for trading</b>						
Foreign exchange derivatives	3.154.506	(153.077)	263.284	-	2.256.898	5.521.611
- Inflow	219.063.216	78.004.685	14.378.870	2.369.540	3.272.234	317.088.545
- Outflow	(215.908.710)	(78.157.762)	(14.115.586)	(2.369.540)	(1.015.336)	(311.566.934)
Interest rate derivatives	-	-	-	-	-	-
- Inflow	-	65.000	-	32.286.942	20.339.652	52.691.594
- Outflow	-	(65.000)	-	(32.286.942)	(20.339.652)	(52.691.594)
<b>Derivatives held for hedging</b>						
Foreign exchange derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
<b>Total Inflow</b>	<b>219.063.216</b>	<b>78.069.685</b>	<b>14.378.870</b>	<b>34.656.482</b>	<b>23.611.886</b>	<b>369.780.139</b>
<b>Total Outflow</b>	<b>(215.908.710)</b>	<b>(78.222.762)</b>	<b>(14.115.586)</b>	<b>(34.656.482)</b>	<b>(21.354.988)</b>	<b>(364.258.528)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 3. Explanations on Contingent Assets and Liabilities

Provision is allocated for transactions with complete and accurate data that may influence the financial structure of the Group and otherwise, provision is provided based on the estimations.

The Group's liability resulting from the cheques given to its customers amounts TL 20.924.466 (31 December 2022: TL 10.866.132).

As of the balance sheet date, there are no probable contingent liabilities resulting from past events whose amount can be reliably measured.

### 4. Explanations on Services in the Name of Others

The Group acts as an intermediary for purchases and sales of government securities on behalf of individuals and entities, conducts repo transactions, and provides custody services. The Bank does not provide consultancy and management services.

## IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED PROFIT OR LOSS STATEMENT

### 1. Interest Income

#### 1.1. Information on Interest Income from Loans

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Interest on Loans <sup>(1)</sup></b>	<b>241.871.569</b>	<b>51.953.344</b>	<b>113.142.338</b>	<b>24.241.084</b>
Short Term Loans	107.181.754	10.416.689	44.238.508	3.483.034
Medium- and Long-Term Loans	132.466.459	41.089.063	67.183.548	20.494.266
Interest on Loans Under Follow-up	2.223.356	447.592	1.720.282	263.784
Premiums Received from the Resource Utilization Support Fund	-	-	-	-

<sup>(1)</sup> Includes fees and commissions income on cash loans.

#### 1.2. Information on Interest Income on Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of the Republic of Türkiye	198.116	-	12.367	-
Domestic Banks	459.528	2.448.271	238.387	2.181.083
Foreign Banks	428.551	1.576.327	117.564	359.583
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>1.086.195</b>	<b>4.024.598</b>	<b>368.318</b>	<b>2.540.666</b>

#### 1.3. Information on Interest Income on Marketable Securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	985.144	77.445	651.669	47.282
Financial Assets at Fair Value Through Other Comprehensive Income	80.989.626	17.481.448	61.090.406	10.426.113
Financial Assets Measured at Amortized Cost	56.254.940	3.987.016	25.742.245	2.340.977
<b>Total</b>	<b>138.229.710</b>	<b>21.545.909</b>	<b>87.484.320</b>	<b>12.814.372</b>

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 1.4. Information on Interest Income Received From Associates and Subsidiaries

	Current Period	Prior Period
Interest Income from Associates and Subsidiaries	381.216	215.463

## 2. Interest Expense

### 2.1. Information on Interest Expense on Borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks <sup>(1)</sup>	1.168.409	9.986.689	613.590	2.944.596
Central Bank of the Republic of Türkiye	5.761	-	122.055	-
Domestic Banks	1.040.504	811.391	410.357	494.298
Foreign Banks	122.144	9.175.298	81.178	2.450.298
Foreign Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	449.322	-	176.645
<b>Total</b>	<b>1.168.409</b>	<b>10.436.011</b>	<b>613.590</b>	<b>3.121.241</b>

<sup>(1)</sup> Includes fee and commissions expenses on cash loans.

### 2.2. Information on Interest Expense Given to Associates and Subsidiaries

	Current Period	Prior Period
Interest Expenses Given to Subsidiaries and Associates	58.387	34.641

### 2.3. Information on Interest Given on Securities Issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expenses on Securities Issued	1.684.114	5.010.891	1.021.031	2.688.467

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 2.4. Maturity Structure of The Interest Expense on Deposits

Current Period	Time Deposit							Cumulative Deposit	Total
	Demand Deposit	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More Than 1 year			
TL									
Bank Deposit	-	10.056.887	518.374	2.166	-	-	-	10.577.427	
Saving Deposit	-	4.907.700	54.760.188	62.746.232	7.422.968	7.920.268	12.584	137.769.940	
Public Sector Deposit	120	21.137.165	6.300.829	361.965	24.538	1.378	-	27.825.995	
Commercial Deposit	270	24.858.528	39.182.377	16.875.999	14.959.504	2.236.456	-	98.113.134	
Other Deposit	-	1.729.035	8.264.785	1.512.973	91.778	64.471	-	11.663.042	
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>390</b>	<b>62.689.315</b>	<b>109.026.553</b>	<b>81.499.335</b>	<b>22.498.788</b>	<b>10.222.573</b>	<b>12.584</b>	<b>285.949.538</b>	
FC									
Foreign Currency Deposit	1.994	5.903.902	4.414.622	671.185	1.077.052	1.187.379	2	13.256.136	
Bank Deposit	-	216.221	1.024.981	342.268	166.942	2.195	-	1.752.607	
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-	
Precious Metal Deposits	-	24.756	54.319	7.019	2.542	3.505	-	92.141	
<b>Total</b>	<b>1.994</b>	<b>6.144.879</b>	<b>5.493.922</b>	<b>1.020.472</b>	<b>1.246.536</b>	<b>1.193.079</b>	<b>2</b>	<b>15.100.884</b>	
<b>Grand Total</b>	<b>2.384</b>	<b>68.834.194</b>	<b>114.520.475</b>	<b>82.519.807</b>	<b>23.745.324</b>	<b>11.415.652</b>	<b>12.586</b>	<b>301.050.422</b>	
Prior Period									
Account Name	Demand Deposit	Time Deposit					Cumulative Deposit	Total	
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More Than 1 year			
TL									
Bank Deposit	-	4.418.268	102.170	-	-	-	-	4.520.438	
Saving Deposit	-	1.762.525	26.878.200	3.706.378	926.854	3.771.195	16.027	37.061.179	
Public Sector Deposit	90	7.836.213	1.509.844	437.529	86.553	1.333	-	9.871.562	
Commercial Deposit	126	6.440.055	8.139.816	2.467.164	4.430.137	202.407	-	21.679.705	
Other Deposit	-	543.790	2.175.005	297.576	54.102	49.012	-	3.119.485	
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>216</b>	<b>21.000.851</b>	<b>38.805.035</b>	<b>6.908.647</b>	<b>5.497.646</b>	<b>4.023.947</b>	<b>16.027</b>	<b>76.252.369</b>	
FC									
Foreign Currency Deposit	88.559	3.057.053	3.409.740	527.792	256.883	535.591	2	7.875.620	
Bank Deposit	147	74.556	80.048	331	170.007	58.397	-	383.486	
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-	
Precious Metal Deposits	-	17.340	45.467	4.156	2.287	2.452	-	71.702	
<b>Total</b>	<b>88.706</b>	<b>3.148.949</b>	<b>3.535.255</b>	<b>532.279</b>	<b>429.177</b>	<b>596.440</b>	<b>2</b>	<b>8.330.808</b>	
<b>Grand Total</b>	<b>88.922</b>	<b>24.149.800</b>	<b>42.340.290</b>	<b>7.440.926</b>	<b>5.926.823</b>	<b>4.620.387</b>	<b>16.029</b>	<b>84.583.177</b>	

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

### 3. Explanations on Dividend Income

	Current Period	Prior Period
Financial Assets at Fair Value Through Profit or Loss	-	2.217
Financial Assets at Fair Value Through Other Comprehensive Income	750	41.040
Other <sup>(1)</sup>	63.197	6.869
<b>Total</b>	<b>63.947</b>	<b>50.126</b>

<sup>(1)</sup> Shows the Group's dividend income from subsidiaries, associates and entities under common control.

### 4. Information on Trading Profit/Loss (Net)

	Current Period	Prior Period
<b>Profit</b>	<b>644.933.694</b>	<b>413.084.994</b>
Trading Gains on Securities	4.331.621	3.513.527
Profits on Derivative Financial Instruments	15.311.986	10.024.647
Foreign Exchange Profits	625.290.087	399.546.820
<b>Loss (-)</b>	<b>623.421.309</b>	<b>409.575.847</b>
Trading Losses on Securities	299.734	192.794
Losses on Derivative Financial Instruments	33.903.730	18.405.343
Foreign Exchange Losses	589.217.845	390.977.710

### 5. Information on Other Operating Income

Significant proportion of other operating income consists of reversals from prior period provisions amounting to TL 29.289.259 and income from sales of assets amounting to TL 1.652.985 (31 December 2022: significant portion of other operating income consists of reversal from prior period provisions amounting to TL 5.827.295, and income from sales of assets amounting to TL 606.142).

### 6. Expected Credit Loss and Other Provision Expense

	Current Period	Prior Period
Expected Credit Loss Provision	34.727.428	33.000.917
12 Month Expected Credit Loss (Stage 1)	4.885.875	10.878.350
Significant Increase in Credit Risk (Stage 2)	16.366.403	16.021.559
Non-Performing Loans (Stage 3)	13.475.150	6.101.008
Marketable Securities Impairment Provision	731	573
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	731	573
Subsidiaries, Associates and Entities Under Common Control Impairment Provision	-	-
Associates	-	-
Subsidiaries	-	-
Entities Under Common Control	-	-
Other	571.986	29.968.000
<b>Total</b>	<b>35.300.145</b>	<b>62.969.490</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 7. Information Related to Other Operating Expenses

	Current Period	Prior Period
Reserve for Employee Termination Benefits	877.706	694.199
Bank Social Aid Fund Deficit Provision	-	-
Impairment Expenses of Tangible Assets	-	100
Depreciation Expenses of Tangible Assets	2.336.841	995.699
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	532.828	377.668
Impairment Expense of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Sale	-	-
Depreciation Expenses of Assets Held for Sale	-	-
Impairment Expenses for Non-Current Assets Held for Sale and Discontinued Operations	-	-
Other Operating Expenses	29.372.485	8.664.523
Leasing Expenses Related to TFRS 16 Exceptions	213.989	115.034
Maintenance Expenses	3.983.364	549.424
Advertisement Expenses	1.313.794	553.658
Other Expenses	23.861.338	7.446.407
Loss on Sales of Assets	5.607	7.244
Other <sup>(1)</sup>	35.858.709	7.136.587
<b>Total</b>	<b>68.984.176</b>	<b>17.876.020</b>

<sup>(1)</sup> TL 5.358.623 is from Savings Deposit Insurance Fund rediscount expenses, TL 6.485.180 is from taxes, duties and fees, and TL 21.019.219 is from donations made to AFAD due to the earthquake disaster in Kahramanmaraş and surrounding provinces in February. (31 December 2022 TL 2.779.242 consists of Savings Deposit Insurance Fund rediscount expenses, TL 2.609.586 consists of taxes, duties and fees).

## 8. Profit/(Loss) from Minority Interest

	Current Period	Prior Period
Profit/(Loss) from Minority Interest	196.347	151.340

## 9. Fees for Services Received from Independent Auditor/Independent Audit Firm

The fee information for the reporting period regarding the services received from the independent auditor or independent audit firm in accordance with the decision of the POA dated March 26, 2021 is given in the table below:

	Current Period	Prior Period
Independent Audit Fee	46.058	24.073
Tax Consultancy Fee	2.691	1.310
Other Assurance Services Fee	1.331	1.402
Other Non-Audit Services Fee	1.585	1.517
<b>Total</b>	<b>51.665</b>	<b>28.302</b>

<sup>(1)</sup> The fee information is given over the amounts excluding VAT in the table.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

## 10. Information on Profit/Loss Before Tax from Continuing and Discontinuing Operations

The Group has no discontinued operations. The Group’s compositions of the profit/loss before tax from the continuing operations are following:

	Current Period	Prior Period
Net Interest Income	140.690.937	131.454.119
Net Fees and Commissions Income	37.508.388	14.673.232
Other Operating Income	37.043.633	10.213.682
Dividend Income	63.947	50.126
Trading Profit/Loss (Net)	21.512.385	3.509.147
Personnel Expenses (-)	25.768.998	10.617.697
Expected Credit Loss (-)	34.727.428	33.000.917
Other Provision Expenses (-)	572.717	29.968.573
Other Operating Expenses (-)	68.984.176	17.876.020
Profit/Loss from Investments in Subsidiaries Consolidated based on Equity Method	307.787	315.745
<b>Current Period Profit/Loss from Continued Operations</b>	<b>107.073.758</b>	<b>68.752.844</b>

## 11. Information on Tax Provision of Continued and Discontinued Operations

As of 31 December 2023, TL 7.533.104 of the Group’s total tax provision expense consists of TL 24.438.127 of current tax expense and TL 16.905.023 of deferred tax income (As of 31 December 2022, TL 22.139.383 of the Group’s total tax provision expense consists of amounting to TL 33.599.073 current tax expense while remaining balances amounting to TL 11.459.690 consists of deferred tax income).

## 12. Explanation on Current Period Net Profit and Loss of Continued and Discontinued Operations

The Group’s net profit after tax amounts to TL 99.540.654 (31 December 2022: The Group’s net profit after tax amounts to TL 46.613.461)

## 13. Explanation on Net Profit/Loss

### 13.1. Nature, Amount and Frequency of Income and Expenses Arising from Ordinary Banking Activities, if Required for the Understanding the Performance of the Parent Bank in the Current Period

The Parent Bank mainly utilizes its resources from domestic deposits on loans, securities and interbank operations. Besides, income is obtained by commissions taken from non-cash loans, other banking operations with insurance agencies.

### 13.2. The Effect of the Change in Accounting Estimates to the Net Profit/Loss; Including the Effects to the Future Period, if any

As of the balance sheet date, there is no change in accounting estimates that may require further explanations in the current period

## 14. If Other Items in the Profit or Loss Statement Exceed 10% of the Profit or Loss Statement Total, Sub-Accounts Constituting At Least 20% of These Items are Shown Below

The “Other” statement under the “Fees and Commission Income” in the Profit or Loss Statement mainly consists of commissions received from credit card and fees and commissions received from banking transactions.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## V. EXPLANATIONS AND NOTES RELATED TO THE CHANGES IN SHAREHOLDERS' EQUITY

### 1. Explanations on the Issuance of Shares:

The paid in capital of T.C. Ziraat Bank is TL 84.600.000. (31 December 2022: TL 34.900.000)

### 2. Explanations on Profit Distribution:

According to the Parent Bank's Ordinary General Assembly Meeting dated 2 August 2023;

In accordance with the first paragraph of Article 33 of the Parent Bank's Articles of Association regarding the determination, allocation and distribution of net period profit; Allocating 5% (TL 2.054.619) of legal reserves from the net period profit of TL 41.092.377.

Within the scope of Article 5/1-e of the Corporate Tax Law No. 5520, TL 15.957 which is the part associated with the period profit, within 50% of the real estate sales gain exemption base calculated in accordance with the TPL, and TL 78, which is 75% of the subsidiary share sale gain exemption base. TL is transferred to a special fund account under equity in accordance with the relevant law article to be monitored until the end of the 5th year following the year of sale, and the remaining TL 39.021.724 is transferred to extraordinary reserves,

From TL 45.090 resulting from real estate valuation differences and monitored in previous years' profits within the framework of the relevant TAS, 50% of the real estate sales income exemption base calculated according to the Tax Law within the scope of Article 5/1-e of the Corporate Tax Law No. 5520, with equity accounts. TL 23.726, which is the associated portion, to be taken into the special fund account opened under the shareholders' equity in accordance with the relevant law to be followed up until the end of the 5th year following the year of the sale, 5% (TL 1.068) of legal reserves over the remaining TL 21.363, and the remaining TL 20.295. It has been decided to transfer to extraordinary reserves.

The Parent Bank plans to distribute the profit it earned in 2023 in line with its articles of association. However, as of the preparation date of the financial reports, no decision has been taken regarding profit distribution.

### 3. Profit Reserves:

As of the balance sheet date, profit reserves amounted to TL 120.658.996, legal reserves amounted to TL 8.506.917, extraordinary reserves amounted to TL 106.965.731 and other profit reserves amounted to TL 5.186.348. (As of 31 December 2022, the profit reserves were TL 74.732.663, legal reserves were TL 6.081.820, extraordinary reserves were TL 66.311.181 and other profit reserves were TL 2.339.662).

## VI. EXPLANATIONS ON CASH FLOW STATEMENTS

### 1. Explanations on the "Other" items and "The Effect of the Change in Foreign Currency on Cash and Cash Equivalent" item in the Cash Flow Statement

Regarding operating profit before the change in banking activity assets and liabilities, TL 6.806.145 of the income amount, TL 383.418.658 mainly consists of the interests received from loans and securities, and TL 286.365.467 mostly consists of the interests given to deposits and money market transactions. Other earnings mainly include net fee and commission income and other operating profit.

The effect of change in foreign exchange rates on cash and cash equivalents includes the foreign exchange differences resulted from the translations of cash and cash equivalents in foreign currencies into TL at the exchange rates prevailing at the beginning and end of the year, TL 14.447.812 as of 31 December 2022. (TL 4.750.901 as of 31 December 2022)

Cash in TL, cash in foreign currency, Central Bank of the Republic of Türkiye, money in transit, bank cheques purchased and cash on money market operations are defined as "cash"; interbank money transactions placements having maturities less than three months, and time deposits in banks are defined as "cash equivalents".



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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

**Period opening and end cash and cash equivalents balance**

<b>Period Opening</b>	<b>Current Period</b>	<b>Prior Period</b>
Cash in TL and in Foreign Currency	20.883.567	12.798.004
Central Bank of the Republic of Türkiye and Other Banks	202.138.758	96.073.783
Money Market Operations	6.283.112	1.249.768
<b>Total Cash and Cash Equivalents</b>	<b>229.305.437</b>	<b>110.121.555</b>
<b>Period End</b>	<b>Current Period</b>	<b>Prior Period</b>
Cash in TL and in Foreign Currency	34.063.770	20.883.567
Central Bank of the Republic of Türkiye and Other Banks	303.640.606	202.138.758
Money Market Operations	154.141.219	6.283.112
<b>Total Cash and Cash Equivalents</b>	<b>491.845.595</b>	<b>229.305.437</b>

**VII. EXPLANATIONS AND NOTES RELATED TO RISK GROUP THAT THE PARENT BANK BELONGS TO****1. Information on the Volume of Transactions Relating to the Bank’s Risk Group, Outstanding Loan and Deposit Transactions and Profit and Loss of the Period****1.1 Information on Loans of the Parent Bank’s Risk Group**

<b>Risk Group of the Parent Bank</b>	<b>Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)</b>		<b>Direct or Indirect Shareholders of the Parent Bank</b>		<b>Other Real and Legal Persons in the Risk Group</b>	
	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>
<b>Current Period</b>						
<b>Loans</b>						
Beginning Balance	1.595.222	27.560	-	-	-	-
Ending Balance	3.560.312	94.803	-	-	-	-
Interest and Commissions Income	381.216	545	-	-	-	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Risk Group of the Parent Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Parent Bank		Other Real and Legal Persons in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
<b>Prior Period</b>						
<b>Loans</b>						
Beginning Balance	1.522.167	10.407	-	-	-	-
Ending Balance	1.595.222	27.560	-	-	-	-
Interest and Commissions Income	215.463	252	-	-	-	-

## 1.2. Information on Deposits of the Parent Bank's Risk

Risk Group of the Parent Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Parent Bank		Other Real and Legal Persons in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Deposits</b>						
Beginning Balance	290.714	261.948	-	-	-	-
Ending Balance	802.612	290.714	-	-	-	-
Interest Expense on Deposits	58.387	34.641	-	-	-	-

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## 1.3. Information on Forward and Option Agreements and Other Similar Agreements made with the Group's Risk Group

None (31 December 2022: None).

## 1.4. Information Regarding Benefits Provided to the Group's Key Management

Fees paid to the Group's key management amount to TL 205.039 (31 December 2022: TL 105.487).

## VIII. EXPLANATIONS AND NOTES RELATED TO POST-BALANCE SHEET MATTERS

None.

## IX. EXPLANATIONS AND NOTES RELATED TO DOMESTIC, FOREIGN, OFF-SHORE BRANCHES OR AFFILIATES AND FOREIGN REPRESENTATIVES OF THE PARENT BANK

### 1. Information on the Parent Bank's Domestic and Foreign Branches and Foreign Representatives of the Parent Bank

	Number	Number of Employees		
Domestic Branch <sup>(1)</sup>	1.744	25.810		
			<b>Country of Incorporation</b>	
Foreign Representative Office	-	-	-	-
			<b>Total Assets</b>	<b>Statutory Share Capital</b>
Foreign Branch <sup>(2)</sup>	1	5	1- England	39.692.975
	5	5	2- Bulgaria	9.967.373
	2	3	3- Iraq	6.874.631
	3	2	4- Greece	3.372.104
	1	3	5- Saudi Arabia	1.994.058
	4	1	6- Kosovo	5.178.455
	8	35	7- T.R. of Northern Cyprus	22.581.105
	1	3	8- Bahrain	144.007.682
Off-Shore Banking Region Branches	-	-	-	-

<sup>(1)</sup> Includes the employees of the domestic branches, including the employees of head office and regional management.<sup>(2)</sup> Local personnel working in overseas units and personnel temporarily assigned to subsidiaries and affiliates are excluded.

### 2. Information on The Parent Bank About Opening, Closing, Changing its Organization Considerably for Domestic and Foreign Branches and Foreign Representatives of the Bank:

In 2023, a total of 12 new branches were opened in the country, including 7 branches and 5 mobile branches, and 1 branch was closed.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

## SECTION SIX

### OTHER EXPLANATIONS

#### I. INFORMATION ON THE PARENT BANK'S RATING THAT HAS BEEN DETERMINED BY INTERNATIONAL RATING AGENCIES

Information on the assessment done by the international rating agencies Moody's Investors Service, Fitch Ratings and JCR Eurasia are as follows:

##### **Moody's Investors Service: January 2024**

Outlook	Positive
Long term Foreign Currency Deposit	B3
Short term Foreign Currency Deposit	Not-Prime
Long term Domestic Currency Deposit	B3
Short term Domestic Currency Deposit	Not-Prime
Long term Issuer Rating Domestic Currency	B3
Baseline Credit Assessment	caa1
Adjusted Baseline Credit Assessment	caa1

##### **Fitch Ratings: September 2023**

Foreign Currency Long Term IDR	B-
Outlook	Stable
Foreign Currency Short Term IDR	B
Local Currency Long Term IDR	B
Outlook	Stable
Local Currency Short Term IDR	B
National Long-Term Rating	AA(tur)
Outlook	Stable
Government Support Rating	ns
Viability Rating	b-

##### **JCR Eurasia: January 2024**

Long Term International FC	BB
Outlook	Negative
Long Term International LC	BB
Outlook	Negative
Long Term National LC	AAA (Trk)
Outlook	Stable
Short Term National LC	J1+ (Trk)
Outlook	Stable

#### II. OTHER EXPLANATIONS ON THE GROUP'S OPERATIONS

None.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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## SECTION SEVEN

### EXPLANATIONS ON THE INDEPENDENT AUDIT REPORT

#### I. EXPLANATIONS ON INDEPENDENT AUDITOR’S REPORT

The consolidated financial statements prepared as of 31 December 2023 and for the fiscal period ending on the same date have been prepared by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. is subject to audit by the independent auditors’ report dated 16 February 2024 is presented preceding the consolidated financial statements.

#### II. EXPLANATIONS AND NOTES PREPARED BY THE INDEPENDENT AUDITOR

None.